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MINISTER PRESENTS PLAN FOR ENERGY SELF-SUFFICIENCY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 83 p 32

[Text] Brasilia--Minister of Mines and Energy Cesar Cals yesterday presented a program to President Figueiredo to enable the country to achieve energy self-sufficiency, envisaging a savings of \$71.8 billion in oil expenditures between 1984 and 1993, when the country will not spend any more on importing energy products. According to the minister, \$35.7 billion will be saved through the reduction of consumption and \$36.1 billion through increased national oil production.

Cesar Cals' plan also envisages the investment of \$36.6 billion during those 9 years, money which is necessary to promote increased production, the reduction of consumption by methods of energy conservation and the development of programs for the production of alternative energy. The minister announced also that Brazilian oil reserves in 1993 will be 3.7 billion barrels, equivalent to a value of \$172.6 billion, according to forecasts of the price of that product on the world market during that period.

Cesar Cals' plan estimates a daily oil consumption in 1993 of 1,471 million barrels, compared to a domestic production forecast of 1 million barrels a day. The need to import that product to which the country would be subject will be filled by the reduction of consumption of 100,000 barrels per day obtained through conservation programs and the replacement of 371,000 barrels per day by national energy products.

According to Cals' plan, the nationally produced energy products to replace the country's need to import in 1993 are: natural gas, 176,000 equivalent barrels of oil per day (BEPD); vegetable oils, 30,000 BEPD; fuel gas, 28,000 BEPD; alcohol, 25,000 BEPD; electricity, 25,000 BEPD; coal 20,000 BEPD; and other sources totaling 14,500 BEPD.

8711

CSO: 3342/17

CALS CONFIRMS PETROBRAS PRODUCTION FORECAST FOR 1985

Sao Paulo O ESTADO SAO PAULO in Portuguese 20 Oct 83 p 30

[Text] Brasilia--Mines and Energy Minister Cesar Cals had the opportunity twice yesterday to confirm, PETROBRAS president Shigeaki Ueki's forecast for next year's domestic production goal of 500,000 barrels a day in 1985. The minister spoke in the plenary session of the Chamber and participated in the National Symposium on Fuel Alcohol sponsored by the Mines and Energy Committee of the Chamber of Deputies, and praised the performance of PETROBRAS president Shigeaki Ueki.

In Rio Tuesday, Cals had said that all responsibility for the advance report belonged to Ueki, who had given the information officially to President Figueiredo. According to the minister, Brazilian oil production will reach 400,000 barrels a day in 1983. The average daily production obtained this year has been 335,000 barrels, which is equivalent to a foreign exchange savings of about \$3.5 billion a year.

Cesar Cals dispelled any misunderstanding pertaining to his relationship with the PETROBRAS president, praising Ueki as a great administrator during the symposium. The praise stemmed from the request made by Deputy Nelson do Carmo (PMDB [Brazilian Democratic Movement Party]--Sao Paulo) to dismiss Ueki, who was at the side of the minister and the president of CNP [National Petroleum Council], General Oziel Almeida Costa. The deputy alleged that the state company was incapable of performing in a priority manner the role for which it was created, which is to find oil in the national territory.

Proof of Competence

In addition to giving an advance forecast of the goal, Cals cited other figures to prove Ueki's competence. "In 1979," he said, "there were 383 oil wells in the country; today there are 609 and that number should reach 1,300 by next year." According to him, drilling in potentially productive areas went from 1,071 meters in 1979 to 1,583 this year. As for the investment budget, in 1979 it was around 35 percent of the company's budget; this year, it reached 83 percent.

Those figures, said Cesar Cals, refute the accusations against the president of PETROBRAS. "The Ministry of Mines and Energy works as a team and its different areas have relative independence, with the persons in charge being appointed directly by the president of the republic."

The president of PETROBRAS showed visible satisfaction with Cesar Cals' reply to the Sao Paulo congressman, rising to thank the minister effusively. The congressman commented later that the good news in the oil area in recent days, the reporting of new wells in the Campos Basin and in Para, serves to pacify the "energy family."

Prospects

The minister revealed in the chamber that with the increase of domestic production, Brazil is in a position to go 58 days without needing to import oil. From 1978 to 1983, the percentage of imported oil in relation to the energy-producing fuels consumed in the country decreased from 37.5 percent to 21.9 percent. The forecast for 1985 is that that percentage will drop to 15.8 percent. As for the consumption of oil exclusively, the ratio between the portion of the imported product and the country's need declined from 84.1 percent in 1978 to 64.2 percent in 1983, with the forecast for 1985 of the share of imported oil in domestic oil consumption being 33.3 percent.

Cesar Cals also pointed to the discovery of the old field in Salinas, Para, which can be expected to produce 3,300 barrels a day of good quality oil. And he said that he can now guarantee that the offshore fields of Para will be a good oil-producing area.

The mines and energy minister also referred to the measures adopted by the government with a view to diversifying the sources supplying oil to Brazil. He revealed that up to 1979 92.1 percent of the oil imported by the country was purchased from producers in the Middle East. At the present time, he explained, 63 percent of the imported oil comes from Arab countries, 20.5 percent from America, 7.4 percent from Africa and 9.1 percent from the European and Asian continents.

And he warned that the government's goal of achieving energy self-sufficiency in 1993 will be attained only if there is support in the national congress for the current policy carried out by his ministry and by PETROBRAS. Cals guaranteed that there will not be a reduction of consumption so that the country will no longer have to import oil. He explained that 10 years from now, there will be a daily requirement of 1.5 million barrels of oil, 1 million of which will be extracted in Brazil, and 500,000 replaced by alternative energy-producing materials.

Firings

In his testimony, Minister Cesar Cals revealed that PETROBRAS is going to lodge an appeal against the decision of the Labor Court, which ordered the rehiring of 180 workers fired by PETROBRAS during the strikes at the Paulinia refinery in Sao Paulo and the Mataripe refinery in Bahia. During the strikes, 308 Sao Paulo and 48 Bahia strikers were fired.

8711

CSO: 3342/12

PETROBRAS CLOSES PARA OFFSHORE AREA TO RISK CONTRACTS

Sao Paulo O ESTADO SAO PAULO in Portuguese 18 Oct 83 p 32

[Text] Rio--The director of exploration of PETROBRAS Carlos Walter Marinho Campos, and the production director of that company, Joel Renno, yesterday took a position against opening the area where the Para Offshore Well-11 (PAS-11) is located, off the coast of Para, to risk contracts with national or foreign companies. "I see no reason to open the area to risk contracts," said Marinho Campos. "Those contracts are a complementary instrument and they were not made for areas where there are commercial discoveries."

Carlos Walter added that the area "will certainly not be open for bids" and director Joel Renno supported him, declaring that "there is not the slightest possibility of that area being assigned to any type of contract." According to the PETROBRAS directors, the area where PAS-11 is located today was previously offered for risk contract bidding and there was not any interest on the part of any multinational companies with the size and technological capability to engage in offshore prospecting and exploration.

But, according to the PETROBRAS directors, there are various blocs open to risk contracts with companies in operation near PAS-11. The closest is 20 kilometers northwest of the well and is being operated by Shell, the activities of which are suspended at the present time, according to the directors of the state company.

Tempering Superoptimism

Even while acknowledging that PETROBRAS experts are optimistic about the prospects of PAS-11, director Carlos Walter sought to temper the superoptimistic rumors that even marked the movement of PETROBRAS securities in the principal stock markets.

Standing in front of various charts and lining up technical explanations, he declared that "the pressures recorded in the producing area, at about 4,200 meters in the bottom of the sea, "are abnormally high for these depths and there was not any decline of pressure in the course of the tests as usually occurs. For that reason, we are somewhat optimistic." According to Marinho Campos, that optimistic view "was reinforced now with the adoption of techniques that made it possible to triple the rate of flow from 1,100 barrels per day to 3,300 barrels per day. He revealed that PETROBRAS has already installed all the equipment necessary for the separation of the oil and gas to be transported to the ship "Nosfoss" "Since we cannot simply burn more than 3,000 barrels of oil per day."

NEW RECORD SET WITH PRODUCTION FROM ENCHOVA FIELD

Sao Paulo O ESTADO SAO PAULO in Portuguese 18 Oct 83 p 32

[Text] The production director of PETROBRAS, Joel Renno, announced yesterday that the company had achieved a new national production record, reaching 367,000 barrels per day, due in part to the increase of the rate of flow of the Enchova-17 well in the Campos Basin. The well achieved the greatest rate of flow ever obtained in Brazilian wells, on the order of 14,000 barrels per day.

According to Joel Renno, the PETROBRAS technical team hopes that the production level of the Enchova-17 well will remain stable, unlike what has occurred on previous occasions when wells in the Campos Basin which presented great initial production prospects ended up reduced to a few thousand barrels per day. That optimistic opinion was confirmed by the company's exploration director, Carlos Walter Marinho Campos.

The PETROBRAS directors made it clear that they remain optimistic about the prospects of the Enchova field in the Campos Basin, pointing out that the Enchova-1 pioneer well alone has produced about 15.7 million barrels of oil since 1978. According to Carlos Walter Marinho Campos, the company is working on developing the field with the aim of finding new oil-bearing formations at great depths, where the most favorable area composed of limestone (in this case, the limestone of the so-called Macae formation) is located. And director Joel Renno confirmed that PETROBRAS will produce 400,000 barrels of oil per day this year, reaching 440,000 barrels per day by the end of 1984 and 500,000 per day in 1985, as Mines and Energy Minister Cesar Cals proposes.

Telegram

PETROBRAS sent a telegram yesterday to the Securities Exchange Commission and the stock markets signed by its director, Carlos Sant'Anna, reporting the increased production of the Enchova-17 well in Campos and referring also to the Para Offshore Well-11 (PAS-11) off the coast of Para, the economic significance of which "can only be known after the conclusion of the tests, in 40 or 50 days," according to the company.

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CSO: 3342/12

JURUA GAS RESERVES ESTIMATED AT 200 BILLION CUBIC METERS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 83 p 47

[Article by Eduardo Ulup: "Jurua Quadruples Gas Reserves"]

[Text] Rio--The original estimate of the gas reserves in Jurua in Amazonia, discovered by PETROBRAS, amounting to 120 cubic meters, has been completely superseded, according to sources from that state company, which already considers it certain that there are 200 billion cubic meters of gas in the region, almost triple all of the gas already discovered in Brazil. This estimate has not been officially confirmed by the company's cautious geologists, whose chief of the North and Northeast Equatorial Division, Frank Falkenheim acknowledges the existence of 126 billion cubic meters but admits: "The prospects are that that figure should increase substantially."

Those assessments of the Brazilian gas potential add a new complication to the already disturbed world gas market. According to PETROBRAS analysts, the management of which is already in contact with the World Bank to discuss financing to exploit the Jurua area, there is a strong supply pressure in the whole world set off by the conclusion of the contract between the Soviet Union and countries of Western Europe for the purpose of supplying natural gas and the construction of the corresponding gas pipeline. The undertaking of the USSR, which has the largest natural gas reserves in the world--about 32.6 trillion cubic meters last year--displaced from the European market a number of projects for supplying gas under different forms, including liquefied petroleum (LPG), which Brazil imports.

A large number of those projects now displaced would be supplied by the ever greater gas surpluses of the Arab countries, the world transportation and marketing of which are controlled by multinational companies in search of markets. The Europe-USSR agreement also displaced the projects of large companies that manufacture equipment for the transportation of gas and oil also in search of new markets. All of them, in turn, were seeking to displace the suppliers of other types of energy besides petroleum and gas considering also that that abundance of gas may make it ever more feasible economically as an alternative for other sources, including petroleum.

World Bank Questions

In a report dated September 1983 under the title, "Brazil Oil and Gas, World Bank, NY," the World Bank attaches great importance to the Brazilian potential in the gas sector and indicates that complications occurring in the world market are already affecting Brazil. The institution questions, for example, the provisions of Law 2,004 which instituted the PETROBRAS monopoly "over hydrocarbons of any kind." The World Bank report says: "Decree-law No 2,004 grants a monopoly to that national company for various oil activities and for the importation of rare gases (which at that time were imported for industrial purposes)." And it adds, next to the observation: "PETROBRAS interpreted that authorization as extending to natural gas but there is no specific mention of natural gas in that legislation." That position is contested by geologist Frank Falkenheim, chief of the state company's division in charge of the work in Jurua: "The monopoly is valid for every type of hydrocarbon and gas is naturally included in that category."

The report says further that "PETROBRAS would be an obvious candidate for the transportation and marketing of gas for future gas development projects." And it adds: "An independent or associated transporter could also be established for those purposes. PETROBRAS' position is that it alone has the prerogatives to operate the gas." And it gives an example: "If Rio and Sao Paulo were linked by a gas pipeline, the operation of the line could also be made by an institution attached to PETROBRAS but with the participation of the State Gas Company of Rio de Janeiro and COMGAS (Metropolitan Gas Company of Sao Paulo). Whatever may be the institution designed for those purposes, it is necessary to consider the allocation of such responsibilities not only for that gas pipeline but also for other potential developments and interconnections in any part of Brazil."

Applications

According to PETROBRAS analysts, the existence of those 200 billion cubic meters of natural gas from Amazonia in the Jurua region alone, without counting the potential of similarly free gas (not associated with petroleum) being evaluated on the coast of Para, makes it feasible to substitute energy in numerous projects at the national level, including the Carajas Project, the development of new petrochemical plants, the production of liquefied gas from petroleum and of special gasoline in quantities that will depend on the final official strategy of PETROBRAS for exploitation of the product in commercial terms.

According to all of the information available at the present time, the gas from Jurua, as well as that from the other Brazilian reserves, is classified as "wet gas." Of all the gas currently extracted in the country, 20 percent is used for the production of special gasoline and LPG. Of the remaining 80 percent, 30 percent is used for injection into oil wells and the other 50 percent is marketed. In the specific case of Jurua, according to the data supplied by geologist Frank Falkenheim, the product can supply petrochemical plants for the production of urea (fertilizers) and methanol (methyl alcohol, also used as a fuel), in addition to directly replacing the consumption of fuel oil in industry.

All those multiple possibilities for utilization of the gas from Jurua--which, according to the analysts, would require investments of \$4 billion, most of it in equipment and funds--are already having repercussions on the world market. Although with those new reserves Brazil may not reach 0.4 percent of existing world reserves, it may substantially change its energy picture. According to a document of the Chase Manhattan Bank, by the year 2000, the share of gas in the Brazilian energy balance will go from the current 2 percent to 10 percent, that is, an increase of 400 percent. For that very reason, there is no lack of proposals and projects with reference to the subject. One of them is from Mines and Energy Minister Cesar Cals himself, whose proposals in addition to a holding company for marketing the gas permits new companies to be created in the area of distribution of the product.

Success of a New Strategy

The discoveries of immense gas reserves in Jurua resulted from a change of strategy decided at the end of 1981 and at the beginning of 1982 by PETROBRAS' Exploration Directorate, when the latter opted for aggressive reconnaissance and for detailing work in the area previously surveyed. As related by the chief of the North and Northeast Equatorial Division, geologist Frank Falkenheim, who has been in direct charge of the work carried out in the region ever since its establishment, PETROBRAS had been interested, until 1957, in investigating the oil potential of the Upper Amazon, conducting seismic surveys along the rivers for a total of 770 km of lines.

The work was later abandoned when technological difficulties in the seismic work were encountered in unusual geological formations, interspersed with volcanic rocks resistant to the penetration of conventional seismic methods. With the technological advances gained internationally and assimilated by PETROBRAS, the company resumed the work in 1976, this time no longer working under the priority of finding oil but directed toward natural gas.

In the 1976-77 period, reconnaissance and detailing were conducted in a very wide area in the region, with a spacing of 50 to 100 km between survey points, thus obtaining the data necessary to begin drilling, which resulted in the Jurua-A pioneer well in the so-called Monte Alegre formation about 800 km by air and 1,600 km by river from Manaus. Once the occurrence of gas was verified in 1980, the experts undertook its commercial evaluation, drilling extension wells and confirming high rates of flow of gas, between 216,000 and 390,000 cubic meters per day. "Gas of good quality," says Falkenheim, "especially appropriate for the production of methanol and urea, is intended for petrochemical plants and for fuel."

In view of that evidence, the company "stopped to think," as the geologist said. And it undertook an aggressive strategy of reconnaissance and detailing, not calculating the cubic content of each occurrence but going on to the next possibilities to determine the extension of the line of occurrences of gas, the so-called "trend," which thus far has revealed the existence of a high probability of gas for 500 km in the direction of Acre, 300 km having already been tested and the other 200 km in the process of being tested. In this process, the PETROBRAS experts also discovered a formation adjacent to that of Jurua-A of Jaraqui with a rate of flow similar to the first one.

Investment Amounts to \$150 Million

PETROBRAS has spent \$150 million thus far to drill 27 wells since 1976 in the Upper Jurua region which resulted in the discovery of fantastic reserves of natural gas in 12 of them. This contrasts with the performance of Paulipetro during the Paulo Maluf government in Sao Paulo, which was recorded in the report of the World Bank on Brazilian gas reserves, noting that it spent "approximately \$430 million and did not make any commercial discoveries."

According to PETROBRAS' data, at least another \$150 million will be necessary from now until 1985 to complete incorporating into the proven reserves a large part of the 200 billion cubic meters of gas that is estimated to exist in that region. This will be a strong argument in the negotiations that are going on with the Planning Secretariat of the Presidency of the Republic for the release of funds in cruzeiros capable of mobilizing the national economy, quite unservedly and regardless of what else may be discovered. This does not count the fact that, as the company experts declare, the incorporation of that potential will greatly increase Brazilian negotiating power in terms of taking advantage of the Bolivian proposals for supplying gas, something that has not been discounted.

As geologist Frank Falkenheim explains, large investments are necessary in a region "that is not exactly California," in the middle of the Amazon jungle, with 60 men working continually on three drills in addition to infrastructure personnel. The latter are also continually moved by helicopters, the only feasible means of transportation, from one point to another in search of gas. That quickness and agility of movement of the PETROBRAS drills is not a matter of chance: it seeks to meet the conditions of budgetary restriction, leading to a strategy of opening up clearings, bringing in the equipment, beginning the drilling and at that time already moving personnel and equipment to a new clearing while the previous drill completes its work and moves to a new site. That is the way the sites of Jurua, Jaraqui--southwest of Jurua, Igarape, Puca, and Carauari and where a new city has already arisen northeast of Jurua--and Igarape were incorporated into the recoverable proven reserves. Only the reserves recorded within a radius of 800 meters for each site are considered proven reserves, but each, in fact, occupies 10 to 15 square km.

4. Area with aeromagnetometric and reconnaissance seismic coverage.
Semidetailed seismic surveys being conducted.
Geologic potential of gas to be proven: 27 billion cubic meters.
Recoverable volume of gas (proven and to be proven): 125 billion cubic meters.

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CSO: 3342/17

BRIEFS

ANTARCTIC OIL EXPLORATION--Rio--The secretary of the Sea Resources Interministerial Commission (CIRM), Admiral Mucio Piragibe de Bakker, announced yesterday that Brazil may explore for oil in the Antarctic and is going to discuss the matter at the meetings of the Antarctic Treaty Consultative Council. "As a regular member of the council, Brazil will voice its opinion at the meetings that are being held with regard to oil exploration." According to him, investigations have confirmed the existence of oil in the Antarctic but the criteria for prospecting have not yet been defined. In the admiral's opinion, future exploration by Brazil may prevent the country from incurring major expenditures in importing oil, considering that the price per barrel is established by an international organization: OPEC. The Antarctic could even serve as an instrument to regulate the world price of the product. The admiral acknowledged that Brazil has not yet been assured the rights to explore the resources of the Antarctic and it is necessary for it to fulfill subsequent stages envisaged after its recent admission into the council. "Brazil entered the organization in terms of a future projection and presented innumerable objectives and programs that aroused exceptional receptivity, and all of that has to be fulfilled," said the admiral. [Text] [Sao Paulo O ESTADO SAO PAULO in Portuguese 14 Oct 83 p 9] 8711

ELECTRIC ENERGY USE UP--Rio--The consumption of electric energy in Brazil increased 7.7 percent from January to September compared to the same period in 1982. This increase was influenced especially by the 23.9 percent increase of consumption in the North region due to the supply of electricity by Eletronorte [Northern Electric Power Stations] to the project sites of Tucuri and Carajas as well as to increased service to the municipalities in the interior and the hookups of new housing complexes. According to data revealed by Eletrobras [Brazilian Electric Power Stations Corporation], a substantial increase of consumption of electric energy also occurred in the Northeast region: 11.8 percent. Contributing greatly to this result was the increased consumption by the large industries supplied directly by the Sao Francisco Valley Hydroelectric Company owing to the rate benefits. In the Southeast region, where the largest industrial park in the country is concentrated, the consumption of electric energy increased 5.9 percent in the first 9 months of the year, compared to the same period last year. The Light-RJ Company's customers increased their energy consumption 13.6 percent, while Eletropaulo which services Sao Paulo, increased its consumption 5.2 percent. Contributing to that was the performance of some industries in the metallurgical and transportation materials sectors in Rio de Janeiro and Sao Paulo, respectively, according to ELETROBRAS. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Oct 83 p 36] 8711

BRIEFS

OIL AGREEMENT WITH SPAIN RENEWED--Mexico and Spain yesterday agreed to renew the contract for the sale of 60,000 barrels per day of Mexican crude to CEPESA [Spanish Petroleum Company]. This announcement was made by PEMEX [Mexican Petroleum], which added that these purchases are in addition to purchases of petroleum byproducts and lubricant production operations by CEPESA. This amounts to a total of 200,000 barrels per day imported by Spain, making Spain Mexico's second largest purchaser of petroleum, following the United States. During the signing ceremony for the contract renewal, the director general of PEMEX, Mario Ramon Beteta, said that this renewal will consolidate "one more way of increasing the economic ties between Mexico and Spain, whose potential has not been sufficiently utilized until now." Then the vice president of CEPESA, Eugenio Marin, spoke of his company's intention of continuing to seek "new areas of collaboration." He said that his firm's dealings with PEMEX have always been cordial. [Text] [Mexico City UNOMASUNO in Spanish 5 Oct 83 p 7] 7679

CSO: 3248/117

OVER 2,000 HAITIANS RECEIVE PENSIONS FROM DOMINICAN REPUBLIC

Santo Domingo LISTIN DIARIO in Spanish 18 Oct 83 p 2

[Text] Santo Domingo. The Pension Administration of the Dominican Social Security Institute [IDSS] reported that 9,348 old age and disability pensions are being paid in eight sugarcane communities in the country. Of the total number of pensioners, 2,677 are Haitian workers.

Fausto Ovalles, head of that IDSS department, said that the pensions are paid monthly to the beneficiaries in the Distrito Nacional, La Romana, San Pedro de Macoris, Los Llanos, Haina, Higüey, Barahona and Boca Chica.

He said that the pensions are increasing and that more and more workers, primarily Haitians, are joining the pension system.

He added that the workers from Haiti, on their arrival in the Dominican Republic, are given a physical examination by a team of Social Security doctors before they join the sugarcane cutter forces at the State Council [CEA] sugar mills.

Ovalles said that 1,667 old age pensions and 189 disability pensions were granted in La Romana; and in Santo Domingo 2,171 old age pensions and 1,573 disability pensions.

Also, 1,116 old age pensions and 130 disability pensions were granted in Barahona; and in San Pedro de Macoris 1,498 old age pensions and 150 disability pensions.

In Boca Chica 237 pensions to sugarcane workers were also granted, 179 old age pensions and 58 disability pensions; in Los Llanos 110 pensions, 95 for old age and 15 for disability; and in Higüey 228 pensions, 216 for old age and 12 for disability.

This information was provided by the Information and Public Relations Department of the IDSS.

9204

CSO: 3248/128

BRIEFS

VENEZUELAN AD PARTY STANCE--The main opposition group in Venezuela, the Democratic Action [AD] Party, says it will seek a national consensus on the territorial issue with Guyana if it wins the December 4th presidential elections. The party's foreign policy coordinator, (Simon Alberto Consalves), told reporters in Caracas that his presidential candidate, Mr Jaime Lusinchi, if elected, would give high priority to resolving Venezuela's disputes with Guyana and Colombia. The territorial disagreement with Colombia is over demarcation of the waters in the Gulf of Venezuela, an area thought to contain certain oil deposits. Mr (Consalves) said efforts of the Social Democrats to obtain a national consensus on the dispute with Guyana and Colombia would be part of the foreign policy that would represent all the nation's interests, its sovereignty, the [word indistinct] territorial integrity. He said Venezuela's foreign relations must now be determined by the country's serious economic problems. [Text] [FL131520 Georgetown Guyana Domestic Service in English 1000 GMT 13 Oct 83]

SAN MIGUEL BENEFITS FROM HONDURAN TRADE--For the past 10 days in this city there has been observed an increase in commercial activity with Honduras, the point of origin for many trucks that pass through El Amatillo with manufactured products and fruit, which have lowered the cost of living a bit in this afflicted city, which is getting ready to celebrate its Silver Carnival. For their part, the local merchants export shoes, clothing, ground coffee, jewelry of gold and other metals, etc. to Honduras, which strengthens the commercial interchange and brings foreign exchange to our country. It is also easy to obtain canned products which for many months have been scarce in the Eastern Zone or which came to be very expensive. Also, transport to and from the Eastern Zone has been completely normalized and the army maintains constant patrolling and guards on the highways in order to foresee surprise attacks by the guerrillas, which have shown no signs of action during this last half of the month. The only thing that concerns housewives is the serious scarcity of sugar, especially brown or sulfite sugar, since the refined sugar is sold at 75 cents per pound, and many households cannot afford it. Concerning counterinsurgency actions, Santiago de Maria has reported that the army has searched various sectors of the city, and that yesterday they surrounded the subdivision of El Guarumal where presumably they found arms and other guerrilla materiel, but there are no official reports on this. /Text/ /San Salvador EL MUNDO in Spanish 26 Oct 83 p 31/ 12372

STATUS OF BRITISH TROOPS IN COUNTRY DISCUSSED

Bridgetown CANA-REUTER in English 1625 GMT 3 Oct 83

[By Matthew Campbell]

[Text] Belize City, Belize, Oct 3, CANA-REUTER--Belize, Britain's only former colony in Central America, has greeted with alarm reports that Prime Minister Margaret Thatcher hopes to withdraw the 1,800-man British garrison next year.

Belize, a haven of peace in the violence and bloodshed of Central America, relies on a garrison of British troops for its tranquillity.

Wedge between Guatemala and Mexico, English-speaking Belize fears that the withdrawal of a force of 1,800 British soldiers would prompt an invasion by neighbouring Guatemala, which has long claimed the former British colony.

U.S. and British officials would not confirm or deny a London newspaper report that Thatcher would be "impatient" if the troops were still in Belize in one year's time.

The troops, Harrier jump jets and Puma helicopters patrolling the long, rugged border with Guatemala, deter leftist rebel groups from using sparsely-populated Belize as a base in their battle against Guatemala's right-wing rulers.

"If the British were to leave, that would turn Belize over to guerrilla activity," Manuel Esquivel, leader of Belize's opposition United Democratic Party (UDP), told REUTERS.

"There would be a very great temptation for guerrilla forces in Guatemala, El Salvador and Honduras to use Belize as a sanctuary, and we would not be able to cope with that," Esquivel added.

Slightly larger than El Salvador, with a mainly black population of 150,000 compared to Salvador's five million, Belize, formerly British Honduras, gained independence on September 21, 1981 with a pledge from British Prime Minister Margaret Thatcher that troops would remain "for an appropriate period of time."

Diplomatic sources saw this as a promise to maintain the garrison until a definitive solution with Guatemala was reached or an alternative defence arrangement was made.

Negotiations between Britain, Guatemala and Belize have made little progress and diplomats see the involvement of British troops as a long-term commitment. They say there can be no overnight solutions or agreement.

Government leaders fear the Guatemalan Army, though busy at home fighting leftist rebels, would invade Belize as soon as the British withdrew.

"The British troops are here because we want them to be here," Belize's prime minister and long-time leader George Price said.

"Their presence is a factor of stability in a turbulent region," he told REUTERS in an interview in the tiny Belizean capital of Belmopan. "We are trying to keep them here as long as possible, as long as necessary."

The presence of British troops was a defensive device, in contrast to other military presences in other parts of the continent, the 64-year-old prime minister said, referring to the increased U.S. military commitment to Central America.

In Honduras some 5,000 U.S. troops are currently engaged in military manoeuvres designed as a show of force in the face of what President Reagan sees as the spread of Marxist revolution in the region from leftist Nicaragua.

In El Salvador, the United States provides military and financial aid to the government in its four-year-old war against rebels. In Nicaragua, regarded by Washington as the epicentre of communist influence in Central America, the U.S. arms and directs rightists fighting the government.

"If we didn't have this factor of stability with the British presence, a vacuum would result. Then, like the laws of physics other forces might want to come in which we wouldn't want," Price said.

Price said he hoped for an alternative defence arrangement should the British withdraw, perhaps with the Organisation of American States (OAS) or with the Commonwealth, in which the United States would also be doing its part.

Increasing U.S. interest is reflected in the doubling of embassy staff since independence. U.S. aid is running at 19 million dollars this year from below five million two years ago.

The United States also organises training for members of the tiny Belize defence force at a U.S. base in Panama.

"Belize is the forgotten domino," one diplomat here said, referring to Washington's domino theory whereby once one country falls to the left, others will topple after it.

"If the communists took over Guatemala, Belize could not be far behind," the diplomat added.

Price, a devout Roman Catholic and former Jesuit seminarian, did not believe that revolution was exported. He said conflict flared in Central American countries when people felt they could no longer achieve change by democratic means.

Some government critics believe independence was premature.

"It came at a time when we still have a lot of worrying problems with Guatemala," UDP leader Esquivel said.

Most of Belize's people, three-quarters of them English speakers of mixed African, European and Mayan Indian descent, are happy with the continuing British presence which provides a useful stimulus to the economy.

"If they were to leave, I would go out of business," one bar-owner in Belize City said.

Diplomatic sources estimated that the British forces spend an annual 10 million dollars in Belize, around eight per cent of the country's gross domestic product in 1982.

CSO: 3298/1109

CENTRAL BANK REPORTS ON NATION'S ECONOMY

FL081320 Bridgetown CANA in English 0015 GMT 8 Oct 83

[Text] Belmopan, Belize, Oct 7, CANA--Belize has reported sharp narrowing of its trade gap, a rise in foreign reserves and an easing of liquidity pressure during the first quarter of this year.

The Central Bank, in a review of the country's economy during the period January to March this year, said: International reserves were estimated at 38.3 million dollars (one U.S. dollar; 49 cents U.S.) [as received] in March, more than 9.1 million dollars in excess of the level at the end of 1982.

The sharp jump in reserves reflected primarily the strengthening of the Central Bank's external position. Net foreign assets held by the bank moved up from 19.3 million dollars to 24.3 million dollars whilst the external assets ratio rose eleven percentage points to 60.7 per cent.

Bank deposits rose 9.1 per cent and with additional funds, the banks became net purchasers in the treasury bills market. By the end of March and after additional allotments of bills had been made, the commercial banks were holding 12.8 million dollars of the 21.5 million dollars bills outstanding.

Central government continued to receive funding from the domestic banking system for its budgetary operations. Despite substantial repayments to the banking sector at the beginning of the year, net credit to government rose 18 per cent.

The bank said that shortfalls in revenue collections, particularly customs and excise duties, were linked to the government's need for increased financial support.

During the first nine months of the 1982/83 fiscal year, revenue collections totalled to 47.5 million dollars or less than 50 per cent of the budgeted amount. Of the 76.3 million dollars budgeted for customs and tax receipts, only 40.8 million dollars had been collected by November 1982, the Central Bank reported.

Domestic credit to the private sector also rose in the first three months of 1983. Total credit to the private sector amounted to 112.1 million dollars in March compared with 108.3 million dollars in December 1982.

The manufacturing industry was the largest recipient of the additional credit as borrowers in the industry used credit facilities extended earlier by the commercial banks. The mining sector (primarily companies engaged in quarrying) similarly made substantial usage of bank credit given in 1982.

Belize's trade gap narrowed from 16.8 million dollars in the last three months of 1982 to 12.5 million dollars in the first quarter of 1983. An increase in both the level of domestic exports and retained imports occurred in this period in 1982.

Imports for domestic consumption rose from 38.0 million to 47.4 million dollars, an increase of almost 25 per cent. On the other hand, Belize's re-export trade continued to falter falling to 4.5 million dollars for the first quarter of 1983. Gross earnings from the re-export trade for the same period in 1982 amounted to 28.0 million dollars.

The sugar cane grinding season got underway very early in the new year. Preliminary estimates for the 1983 sugar crop project an increase in production at the two factories operating in Belize.

With an improvement in the factories efficiency, sugar production should rise from 105,980 long tons in 1982 to 110,000 tons in 1983. Nevertheless, with the average price of sugar expected to fall this year, gross earnings should decline from 67.8 million dollars to 62.1 million dollars.

Responding to the worldwide trend of a decline in interest rates and in an effort to provide a stimulant for domestic economic activity, commercial banks interest rates were adjusted for the first time since 1980. The prime lending rate fell two percentage points whilst deposit rates dropped two or three percentage points in January.

The Central Bank said that after falling almost five per cent in the final quarter of 1982, domestic credit by the banking system rose by 8.3 million dollars to just under 172 million dollars. Most of the expansion in credit took place in the first month of the new year as both the public and private sectors used additional facilities provided by the banking system.

The domestic system's claim on the public sector rose by 4.5 million dollars in the three months to March 1983. At the end of that period, net credit to the public sector totalled 59.8 million dollars. Of the expansion in lending to this sector, 2.5 million dollars was in the form of additional allotments of treasury bills which returned the number of bills outstanding to the level maintained until late December 1982.

The treasury bills market became very active in the first three months of the year with the commercial banks making net purchases totalling 11.0 million dollars.

"By the end of March, the commercial banks were holding 59.5 per cent of the 21.5 million dollar bills outstanding. With the acquisition of additional treasury bills, the commercial banks credit to the public sector rose to 35.1 million dollars or 58.1 per cent of gross claims on the public sector," the bank said.

The Central Bank's credit, on the other hand, dropped from 29.8 million dollars in December to 25.3 million dollars. The decline in credit resulting from substantial sales of treasury bills to the commercial banks was partially offset by a build-up in the bank's direct lending to central government: from 10.2 million dollars in December, advances rose 38 per cent to 14.1 million dollars by March.

Private sector borrowing from the banking system also rose in the first three months of 1983 after falling the previous quarter. Loans outstanding to this sector amounted to 112.1 million dollars in March, up 3.8 million dollars or 3.5 per cent since the end of 1982.

The manufacturing sector was the largest recipient of this increase in credit as borrowers in the industry used up an additional 4.4 million dollars of credit extended by the commercial banks in 1982 and increased their share of bank loans from 11.4 per cent to 14.4 per cent.

The mining sector (principally companies engaged in quarrying) also expanded its usage of bank facilities. A 2.9 million dollars increase in the banks' lending raised credit to this industry to 4.7 million dollars or 3.5 per cent of total loans.

The Central Bank report said the only sector to experience a substantial drop in its bank debts was the agricultural sector. Agricultural loans totalled 16.7 million dollars in March compared to 22.7 million dollars in December 1982 whilst the share of loans outstanding dropped from 17.2 per cent to 12.4 per cent in the same period.

Net repayments were made by banana, citrus and sugar producers. A drop of more than 2.4 million dollars in credit to banana producers to 1.8 million dollars reduced these borrowers share of agricultural loans from 18.7 per cent to 10.9 per cent.

Despite declines in outstanding credit to the citrus and sugar industries, their share of commercial bank loans rose from 14.1 per cent to 16.6 per cent and 47.0 per cent to 51.9 per cent, respectively.

In the year to March 1983, domestic credit increased by 34.6 million dollars or 25.1 per cent. An expansion in lending to the public sector accounted for more than half of this increase.

Credit to the public sector rose in excess of 19 million dollars as both the commercial banks and the Central Bank extended additional facilities to the public sector. Private sector borrowing also increased.

In the twelve months to March 1983, bank credit to the private sector rose by 15.1 million dollars or 15.6 per cent. Most of this expansion occurred in the second half of 1982.

In March 1983, money supply reached its highest level since August 1981. After being relatively stable for most of 1982, money supply climbed 11.7 per cent to 46.8 million dollars in the first three months of this year.

The currency demand of the public underwent its seasonal expansion in the final month of 1982, reaching 20.6 million dollars in December. Unlike the trend of earlier years, however, this expansion continued into the new year and currency holdings rose by more than 2.4 million dollars in the three months to March.

In the corresponding period of 1982, for example, currency held by the public had declined by almost 0.6 million dollars. Demand deposits also showed an overall increase in the first quarter of 1983.

After jumping to 24.0 million dollars in January, deposits were down to 23.9 million dollars by the end of March. Nevertheless, demand deposits had risen almost 2.5 million dollars since December.

Unlike this year, these deposits had fallen from 22.9 million dollars in December 1981 to 21.6 million dollars in March 1982. The wider measure of money supply underwent substantial expansion in the first quarter of 1982.

Quasi-money (saving plus time deposits) rose more than 8 per cent despite the downward adjustment in interest rates at the beginning of the year.

Savings deposits which declined for the greater part of 1982, rose by more than 2.1 million dollars in the first quarter of 1983. At the end of March savings deposits totalled 28.7 million dollars. Time deposits, continuing its strong upward trend, expanded 8.4 per cent to reach 72.9 million dollars in the same period.

Commercial bank interest rates which had been constant since 1980 moved downwards at the beginning of the year. The Central Bank announced at the end of 1982 that effective January 1, 1983, the commercial banks prime lending rate would fall two percentage points to 16 per cent and deposit rates would fall between two and three percentage points.

A number of interesting developments resulted from the adjustment in interest rates, particularly with respect to interest payments on deposits.

The commercial banks, which since 1979 when international interest rates were volatile had favoured accepting term deposits for not longer than three months, encouraged longer-term savings by paying 12.5 per cent on one-year deposits.

At the same time, savers not wishing to tie their funds up for an extended period were offered 10 per cent on one-month deposits and 12 per cent on three-month deposits.

Responding to the alteration in rates, the weighted average interest rate on deposits fell more than two percentage points to 8.5 per cent.

The steepest decline was seen in the average rate paid on time deposits which dropped from 14.9 per cent in December 1982 to 11.9 per cent in March 1983. The average weight on bank loans fell two percentage points to 15.7 per cent in the same period.

Initially, the spread between the commercial banks lending and deposit rates narrowed. With almost 60 per cent of funds on deposit with the commercial banks being tied up for at least three months, deposits responded less rapidly to interest rate adjustment than did lending. By March, however, when all deposit rates had been adjusted downwards, the spread again widened, exceeding 7 per cent points.

Adjustments in other market rates occurred much earlier. The first reduction in the bank rate was made as early as May 1982 when rates fell to 14.5 per cent.

Two other adjustments took place in 1982 and by the end of the year, this rate stood at 13.5 per cent where it stayed for the following three months.

The discount rate on treasury bills which over the years has been less stable than the bank rate ended 1982 at 11.18 per cent and remained at that level throughout the first quarter of 1983. Whilst the discount rate on treasury bills remained constant, there were additional allotments of treasury bills which raised the total amount of bills outstanding to 21.5 million dollars.

After being tight for a prolonged period, bank liquidity was strengthened significantly in the early months of 1983. The first boost came when the public sector made a substantial repayment on its loans from the commercial banks.

The expansion in deposits also contributed to the banks increased liquidity. Faced with additional resources, the commercial banks became very active in the treasury bills market: by the end of the quarter the banks were holding 59.9 per cent of the bills outstanding.

Their reserve holdings with the Central Bank moved up from 6.6 per cent to 7.1 per cent of average deposit liabilities between December 1982 and March 1983 whilst their liquid assets holding jumped from 29.6 per cent to 34.0 per cent of average deposits in the same period.

From a level of 16.8 million dollars in the final three months of 1982, the trade deficit narrowed to 12.5 million dollars in the first quarter of 1983. The deficit was also considerably lower than the deficit for the corresponding three months last year.

After slowing down in the two earlier quarters, imports for domestic consumption climbed to 47.3 million dollars in the first three months of 1983. It is estimated that more than 17 per cent of the amount was for food and over 23 per cent for oil.

Domestic exports jumped 65 per cent to 34.9 million dollars in the first quarter of the year. This compared closely with the level of domestic exports during the corresponding period in 1982.

In the sugar industry, the crop started on schedule in early January and for most of the period, the weather proved favourable for cane reaping.

By the end of the quarter, sugar production had reached 59,987 long tons compared with 52,594 long tons in the same period in 1982.

Some 23,878 long tons had been shipped to the United States (under the International Sugar Agreement) and the United Kingdom (under the Lome Convention); this was 2,493 long tons above shipments in the first quarter of 1982.

In the banana industry, both the volume and value of exports were above levels reached in the corresponding three months of 1982. Some 135,592 boxes of bananas valued at 1.3 million dollars were exported between January and March 1983, compared with 61,396 boxes valued at 0.5 million dollars in the same period in 1982.

Belize's re-export trade continued to falter. Preliminary data showed the level of re-exports for the first quarter of 1983 at 4.5 million dollars, almost 46 per cent below the level of re-exports in the final three months of 1982 and amounting to only 16 per cent of re-export earnings in the corresponding period of 1982.

Data collected by the exchange control department revealed a pick-up in sales of foreign exchange by authorised dealers. After declining throughout 1982, purchases of foreign exchange by the public rose to 51.5 million dollars in the first quarter of 1983; purchases in the previous three months amounted to 48.3 million dollars, payments for imports rose almost 0.7 million dollars to 38.7 million dollars in the first quarter of 1983.

The bank said that the discrepancy between this amount and the figure for imports in the trade statistics resulted because of a timing difference between payments and receipts.

The largest increase in payments abroad was seen in the level of debt amortisation, particularly by the private sector. Loans repayments in the last quarter of 1982 amounted to 0.5 million dollars, less than 0.2 million dollars of which was attributed to the private sector.

By March 1983, purchases of foreign exchange by this second [as received] jumped to 2.0 million dollars and reflected largely the increase in repayment by the commercial banks of loans extended by their head office in 1982.

CSO: 3298/1109

SUGARCANE FARMERS RECEIVE SECOND CROP PAYMENT

FL221325 Belize City BELIZE SUNDAY TIMES in English 18 Sep 83 p 2

[Text] The second payment to Corozal canefarmers who delivered 44,460 tons of cane this crop, was made on Aug 31. On the basis of a second payment of an average of \$35.71 per ton, a total of \$3.23 million were paid out. This is in addition to the \$12.56 million already paid as first payment during the course of the grinding season. According to the "Relative Cane Quality Payment" system, the highest rate of \$36.29 was paid to Ranchite area and the lowest of \$34.56 was paid to San Victor area farmers.

The Sugar Board report for the month of August also points out that this is the second consecutive year that the incidence of Froghopper has not affected sugar cane, and there are indications that cane production for the coming crop will be enough to make more than 115,000 tons of sugar.

The weather in the month of August was good enough to permit mechanical ploughing in most areas. This has helped to expedite the Smut Rehabilitation programme in both Orange Walk and Corozal Districts, where more than \$2.2 million have been disbursed to canefarmers for this purpose.

Also last month BSI [Belize Sugar Industries Ltd] made one shipment of 8,858 tons of sugar to the United Kingdom and one of 12,574 tons of molasses to the United States of America. Total exports for the current year is 80,572 tons of sugar. Belize also sells sugar to France and Canada.

In other news, the Extension Sub-Committee held a series of field days this month on the sites of BSI's Demonstration Plots. Cane seeds of new varieties were distributed free of cost to 792 canefarmers of the Corozal and Orange Walk Districts who will be planting their own seed nurseries in the next few days.

CSO: 3298/1109

COUNTRY SECTION

BELIZE

BRIEFS

NEW PANAMANIAN ENVOY--The new Panamanian ambassador to Belize, Dr Ana Mora de Wakeland, presented her credentials to Governor-General Dr Minita Gordon during the course of the week that has just ended. Mrs Wakeland replaces Mr Rafael Vargas. [Summary] [FL041223 Belize SUNDAY TIMES in English 23 Oct 83 p 1]

CSO: 3298/1109

LACK OF SUPPORT FOR REMOVAL OF FIGUEIREDO DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Oct 83 p 3

[Article by C.C.: "Malcontents Try to Oust Figueiredo"]

[Text] Brasilia--In the torrent of vented feelings, complaints, diatribes and even vituperation that he has unleashed upon various interlocutors in recent weeks, President Joao Figueiredo produced an emotional comment of singular depth and importance. On Monday, 26 September, he told former senator Jarbas Passarinho in his office: "They want to drive me into a corner and think they will take me out of here. There is a campaign to destabilize my government, But I will leave here only if I am dead. No one will take me out of this chair. They are not going to succeed."

As a matter of fact, that is what they want. They are few, contrary to what the president may think, that they are many or even everyone. In that respect, if he reacts, he has every right to react because what they seek is nothing more nor less than a white [bloodless] coup. Or a black one. Because what they want is to lead him to a spontaneous--or a forced--resignation, as quickly as possible. The allegation is physical incapacity to govern. There is no way of avoiding the words: they say that the president's irritation and instability stem from the sclerotic process accentuated after the operation he underwent in Cleveland and that his frequent explosions, his emotional highs and lows, his hesitation and changes of state of mind are serious symptoms. Thus, they plot to see him not substituted but succeeded by Vice President Aureliano Chaves or risk having the economic, social and political situation deteriorate and lead the country to a deadend.

The problem is that while apprehensions exist in view of the crisis and the picture of difficulties, at no time do they justify that conspiracy; much less a coup of that kind. First, because if the fashion catches on, there will be an endless exchange of presidents of the republic at the first signs of crisis, mixed with reactions, whether normal or exaggerated, by whomever receives the heavy burden of the whole process on his shoulders. If we are in the midst of democratization, if the acts of exception are gone, as well as the abnormal interference of groups and systems, how can we justify the paradox of the abrupt removal of precisely the person who promoted such a great advance?

And second, because they are wasting time counting on the vice president for such a great atrocity. He is named Aureliano Chaves, not Cage Filho. He has already said more than once that if Figueiredo resigns, he will resign with him. Even more so if the resignation is forced. He may have differences, even great ones, with the president in terms of style, ideas, programs and people, but loyalty is one of his strongest characteristics. He will never lend himself to that role, not even if they indicate, as they are indicating, the possibility that the mistake committed by Castello Branco would not be repeated now: the latter, instead of being invested with a complete term limited himself to completing the administrative term of Janio Quadros and Joao Goulart.

Furthermore, there will not be backing for such an act anywhere in the country, so the coupists will lack the structures or institutions capable of giving them support. Today the whole country is against Figueiredo or against the government that does not resolve but instead complicates the crisis. Neither the middle class, the workers, the businessmen, the politicians, the military, the intellectuals nor the clergy are crazy about him or his ministers. Criticism has become routine in the press, on the rostrums, in the pulpits and even in the barracks, in the latter case quietly. But at no time does it mean that any of those social segments are ready to support an adventure in the manner of the banana republics, or in the manner of what has already happened here.

Another broad argument presents itself: who would bell the cat? How would the coupist parties present themselves before Figueiredo trying to convince him or force him to go home earlier? Would they ask for an audience? Would they express themselves in a letter? Would they go on television? Would they mobilize a general strike? Would they invade the Torto Ranch with slingshots and pocket-knives, since tanks and cannons have placidly taken the road to the barracks and will not leave them so soon?

They want, they aspire, they desire, they conspire, plot and connive. Who are they, after all?

First, it is well to reiterate that few are involved in the coup, even though many, almost all, disagree with the president and his policy. But notwithstanding that, they are not prepared to run the risk of breaking the fragile institutions in the process of consolidation. For the great majority, fortunately, being against someone does not mean seeking to deprive him of his rights or worse, smash democracy into smithereens once again. Irritated, Figueiredo may even suppose that there are many. He will be confusing things because those who expose the scandals, acts of corruption and political incompetence every day are not conspiring against him, much less those who form congressional investigating committees to investigate charges or who take to microphones to call for efficiency. All of those seek clarification of the facts with punishment of the guilty, and the hope of having hope once again.

Who are the coupists, then? Elementary and trite: one will have to look for them among those who saw themselves gradually detached from power. Among those who seek to reassume it inasmuch as they always used it as their private property, and we are not speaking of the power prior to 1964, already lost in history. We are speaking of those who in recent years removed themselves from the centers of decision or who were removed. Of those who feel that the prospect of

remaining on the outside is inexorable, whether it be by the courses that the presidential succession is taking with Figueiredo wanting to name his successor or because they, accused of having sown the bitter fruits reaped today on the economic and social plane, know that the worse the harvest, the greater their responsibility to the future. There may also be some well-intentioned persons, because good intentions are in fact usually the worst of sins.

Those few pocket conspirators, their past stewardships gone, believe that they are acting for the good of the country, or so they present themselves, in the argument that if Figueiredo remains until 1985, there will be nothing left to be saved or recovered. But the worst thing that could happen in the country--more serious than the current indecision and incompetence--would be the break with legality, the return to the time of "pronunciamentos" the law of the jungle and brute force, even though disguised. The fitting phrase in this case perhaps is that of Ulysses Guimaraes, who believes: "Bad with Figueiredo, worse without him, if they overthrow him."

8711

CSO: 3342/9

POLL INDICATES FIGUEIREDO POPULARITY DROPS TO NEW LOW

Gallup Poll Results

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Oct 83 p 4

[Text] In September, President Joao Figueiredo's popularity reached the lowest level--36 negative points--since the beginning of his administration, surpassing the 30-negative-point percentage recorded in November 1980. According to a poll conducted by the Gallup Public Opinion Institute, only 28 percent of the Brazilian people approve of the performance of the Figueiredo government, compared to 64 percent who disapprove.

According to the poll, disapproval of the Figueiredo government increased more in the states in the Northeast, where the popularity of the president dropped from 2 positive points in June to 43 negative points in September, with the same drop occurring in the Southeast region (from 7 negative points to 43 negative points). Even among PDS [Social Democratic Party] sympathizers, the president's prestige fell during the same period, from 31 positive points to 10 negative points.

In June, shortly before the trip of the president of the republic to Cleveland, where he underwent a bypass operation, 46 percent of the Brazilians approved of his government while 49 percent were dissatisfied. That month Figueiredo's popularity index was 3 negative points, which represented an increase in relation to March of this year, when the index had dropped to 19 negative points.

The aggravation of the economic crisis, the high unemployment rates, the lack of credibility of official policy and the charges of irregularities and corruption in various government agencies are doubtless the factors that caused the drop of prestige of the president of the republic and the rise of the indices of disapproval of his government.

The abolition of Institutional Act-5 (AI-5) and the promises of the country's democratization enabled the president to gain an index of 8 positive points in May 1979, 3 months after his inauguration. In October of the same year, that popularity index reached 21 positive points, the highest recorded during his administration.

Figueiredo's prestige began to decline almost 1 year after his inauguration, in February 1980, reaching 15 negative points. In November of the same year, when the impact of the economic crisis was already being felt and at the time when the direct elections for the prefectures and municipal chambers were postponed, the president's popularity index reached its lowest level: 30 negative points. After that, the indices were always negative, with the exception of April of last year, when President Figueiredo's popularity reached 13 positive points.

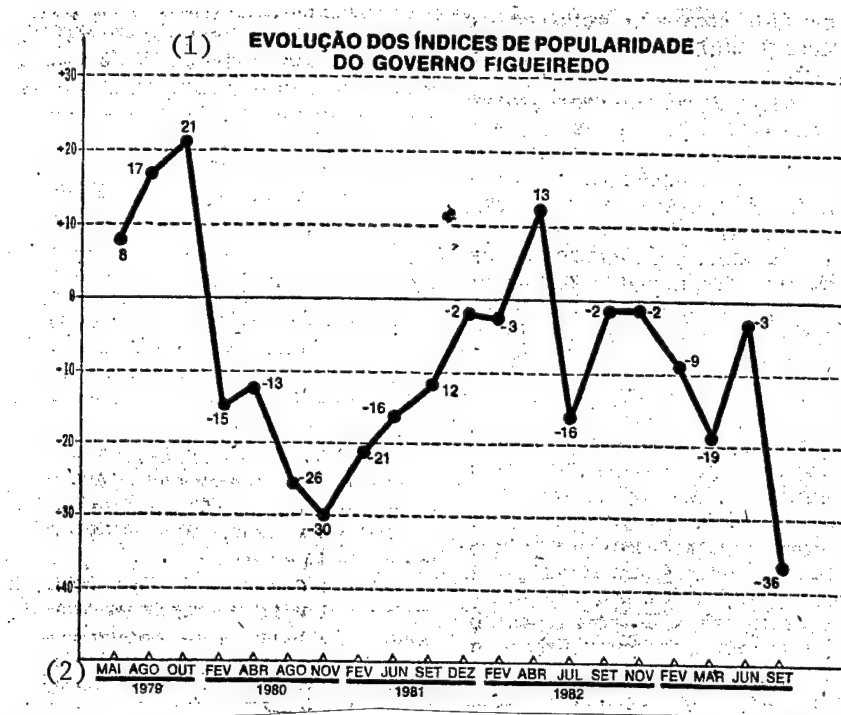
Last September only 5 percent of the Brazilians believed the president was governing "very well," and 23 percent believed his government was "good." According to Gallup, those figures comprise the government's approval index. But 34 percent of the people categorized the Figueiredo government as "fair," 15 percent as "bad" and another 15 percent as "very bad," percentages that represent disapproval of his performance.

The Gallup poll also shows that disapproval of the Figueiredo government is growing more in the Northeast states and in the Southeast region. In the South (minus 23 percent) and in the North and the Center-West region (minus 19 percent), the indices are more stable, although the president's prestige is also declining in those regions.

Disapproval of the Figueiredo government also grew more in the small cities. In the cities of up to 5,000 inhabitants, the popularity index dropped from 17 positive points to 38 negative points; in those with a population ranging from 5,000 to 10,000 inhabitants, the index dropped from 5 positive points to 30 negative points. In the cities with a population between 10,000 and 50,000 inhabitants, the drop was from 7 positive points to 38 negative points. In the capitals (from 6 negative points to 39 negative points) and in the cities with more than 50,000 inhabitants (from 8 negative points to 40 negative points), the drop was relatively smaller.

The Gallup poll also showed that among the sympathizers of the PMDB [Brazilian Democratic Movement Party], Figueiredo's popularity index dropped from 20 negative points to 47 negative points; among the followers of the PTB [Brazilian Labor Party], from 8 negative points to 45 negative points; among PT [Workers Party] followers, from 45 negative points to 67 negative points; among PDT [Democratic Workers Party] followers, from 3 negative points to 54 negative points. The greatest drop occurred in the PDS: from 31 positive points to 10 negative points.

The institute interviewed 2,622 persons in 20 states and 182 cities, consulting adult (over 18 years of age) representatives of all social sectors.



KEY: (1) Evolution of the Popularity Indices of the Figueiredo Government.
 (2) Fev/Feb; Abr/Apr; Mai/May; Ago/Aug; Set/Sep; Out/Oct; Dez/Dec.
 [Other months as in English]

Ministers Cause Negative Image

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Oct 83 p 4

[Text] Former governor of Parana, Paulo Pimentel, declared yesterday that when he is received Monday morning by President Joao Figueiredo, he plans to talk to him, among other matters, about the Gallup Institute public opinion poll which revealed a decline in the president's popularity. According to Pimentel, the record low of 36 negative points ascribed by the institute "is the result of the crisis through which the country is passing and a reflection of the unfortunate economic measures programmed by the team of ministers to try to get approval of Decree-Law No 2,045 in Congress." Planalto Palace spokesman Carlos Atila, for his part, avoided commenting on the poll, arguing that he is not familiar with all of it.

Pimentel, president of the Parana PDS, was summoned to the meeting with Figueiredo by a telephone call from Minister Leitao de Abreu yesterday afternoon. In addition to the poll, the former governor said that he is prepared to talk to Figueiredo about the succession, and to make a suggestion "that will certainly irritate the president." Pimentel considers that "the time has come for the president to study the replacement of his ministerial team, "especially those in the economic area.

In Brasilia, spokesman Carlos Atila declared that the result of the Gallup poll was not the object of any special evaluation in Planalto Palace. He himself avoided commenting on the result of the poll, pointing out that he does not know the details or the specific motivation of the poll. Atila observed that practically all previous polls were later sent to him in full by the institutes themselves, which, in his opinion, permits a correct evaluation by the president's advisers. He said that he expects to receive this one from the Gallup Institute also because the newspapers published only a summary.

Deputy Fernando Lira (PMDB-Pernambuco), on the other hand, considered the figures presented by the press to be sufficient and attributed the drop in the president's popularity to his lengthy term: "If he had left the presidency immediately after the inaugurations of the governors, history would have put him in a much different position than it would after his 6 years of administration." In the opinion of the congressman, the only way for Figueiredo to recover his good image will be to utilize the remaining period to "reorganize the country institutionally, convoking direct elections for the succession."

The "isolation of the president in the palace" was also mentioned by Deputy Israel Pinheiro Filho (PDS-Minas Gerais), a member of the "Participation" dissident group, as one of the reasons for his drop in popularity. "Today there is not even a single Brazilian who supports continuing the economic policy and the ministers, and the reflection of that dissatisfaction falls on the person of the president who insists on maintaining them," declared the congressman in Belo Horizonte.

The government leader in the Chamber, Deputy Nelson Marchezan, defended Figueiredo in Porto Alegre but avoided economic subjects, preferring to praise the performance of the president in other areas: "He is going to emerge as one of those responsible for political liberalization and as the solidifier of democracy in the country."

Caution was also shown by the spokesman of Bandeirantes Palace, Parahyba de Moraes, certainly because Governor Franco Montoro passed through the same experience as Figueiredo. The aide made his comment in writing:

"The popularity indices of public figures are always subject to variation, depending on a large number of factors. It could not be expected that at a time of crisis the popularity of the president of the republic would be high. Especially when it is known that the economic policy of the federal government is principally responsible for that situation."

The secretary for political affairs, Marco Antonio Castelo Branco, went further: "It is a reflection of the desperate situation in which Brazil finds itself. He, as president and the one principally responsible for the crisis, suffers the condemnation of the current management of the federal government." Castelo Branco believes that democratizing measures such as direct elections for the presidency and changes in economic policy could improve Figueiredo's image. "The moratorium would give him great prestige," he ventured.

Opposition deputies in Sao Paulo also insisted on those two points. According to Deputy Rubens Lara of the PMDB and candidate for the prefecture of Santos, the president's loss of popularity "stems from the crisis that is overwhelming the country, the hunger and the uncontrollable inflation." In his opinion, the only solution lies in convoking direct elections. Jose Cicote of the PT said that Figueiredo's prestige "has not really dropped much" and that it could have dropped "much more in view of such aberration of the policy imposed by Planalto Palace.

"That poll reveals with relative success the image of the Figueiredo government in the eyes of the nation," maintained the PTB leader in the Sao Paulo assembly, Deputy Augusto Toscano. In his opinion, that erosion is the reflection of the inappropriate economic measures and the repeated charges of scandals in almost all of the areas of his government, without any action having been taken to punish them.

The PTB leader stressed, finally, that in his opinion, "credibility in the eyes of the Brazilian nation will only be possible with the convocation of direct elections for the presidential succession." Referring to the resignation of former private secretary Heiter Aquino, the congressman commented that at the present time the people are witnessing "in dismay the departure of certain members of the government who, after suckling on the fat teats of the motherland, even threaten to publish books."

8711
CSO: 3342/8

FIGUEIREDO RATED 3.9 ON SCALE OF 10 IN 6 CAPITALS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Oct 83 p 1

[Text] A poll conducted Friday by FOLHA in 6 Brazilian capitals showed that on a scale of 0 to 10 President Figueiredo receives from the population a rating of 3.9 on the weighted average. The question asked by the FOLHA pollsters was the following: "What rating between 0 and 10 would you give to President Figueiredo?"

In addition to the question of the president's performance, the poll also sought to learn how the population rated the government ministers, grouped together in five areas. The weighted average of the 6 capitals showed that if the president wished to improve the public image of his government, he would have to begin with the economy, the sector that received the lowest rating, 2.2. The highest went to education and health with 3.9. Labor and social welfare (3.0), government policy (3.3) and foreign policy (3.4) were in the intermediate range.

With the exception of Porto Alegre, where the average rating was 5.1, in all the other 5 capitals Figueiredo had a performance rating of less than 5. Sao Paulo provided the lowest figure (3.5), followed by Rio (3.6), Belo Horizonte (4.0), Salvador (4.1) and Curitiba (4.6). A poll conducted in greater depth in Sao Paulo showed, however, that the president's rating declined in proportion to the drop in the income level of the persons interviewed.

Actually, the drop in the approval of the president is not an isolated fact. It merely coincides with the tendency of public opinion witnessed in another canvass made by FOLHA in September on the image of four governors elected by the opposition. On that occasion, approval of the administrations of Montoro, Brizola, Tancredo and Richa showed a marked decline.

(1) Médias obtidas pelo Presidente nas seis capitais.

São Paulo	Rio de Janeiro	Salvador	Belo Horizonte	Porto Alegre	Curitiba
3,5	3,6	4,1	4,0	5,1	4,6

(2) Média ponderada das 6 capitais: 3,9

(3) (A média ponderada é um cálculo que leva em conta os diferentes tamanhos das populações pesquisadas).

Key:

1. Averages obtained by the president in the six capitals
2. Weighted average of the 6 capitals: 3.9
3. (The weighted average is a computation that takes into account the different sizes of the populations polled).

8089

CSO: 3342/13

SIX CAPITALS GIVE 3.9 RATING TO FIGUEIREDO

Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Oct 83 p 14

[Text] What rating from 0 to 10 do you give President Figueiredo? The weighted average of the results obtained in 6 Brazilian capitals: 3.9. This is the main result of the poll taken Friday by FOLHA in Sao Paulo, Rio de Janeiro, Salvador, Belo Horizonte, Curitiba and Porto Alegre.

In addition to gaining an estimate of the president's image, the pollsters were also concerned with learning what ratings on a scale from 0 to 10 the population would give to 5 areas of the Figueiredo government. The weighted average of the 6 capitals showed the lowest figure for the economy, 2.2. The highest average was earned by education and health with 3.9. In ascending order between these 2 ratings stood labor and social welfare (3.0), government policy (3.3), foreign policy (3.4) and agriculture and food supply (3.6).

Figueiredo's Image

In all the capitals except Porto Alegre (5.1), Figueiredo's image achieved averages below 5.0. Sao Paulo produced the lowest figure (3.5). The results in the other capitals polled were the following: Rio de Janeiro (3.6), Belo Horizonte (4.0), Salvador (4.1) and Curitiba (4.6).

A poll in greater depth was taken in the city of Sao Paulo, where the persons interviewed were divided into categories of age, sex and income level. In this way, it was found that Figueiredo obtained his highest rating among individuals above the age of 36. The category of those between 20 and 35 years of age produced a rating of 3.2 on the president's performance. And the youngest, those between the ages of 14 and 19, fell within the average that would be reached in the capital: 3.5. Women showed themselves to be more sensitive to Figueiredo's image and the rating achieved among them was 4.0, as compared with 3.4 among males. But among the other detailed items, the most significant is without doubt that dealing with income. And it was there that President Figueiredo saw his prestige decline in proportion to the drop in the income of the person interviewed. In this way, the category for up to 2 minimum salaries (from 0 to 69,552 cruzeiros) produced an average of 3.1 for the president; that for 2 to 5 minimum salaries of 69,552 to 173,880 cruzeiros achieved a result of 3.2, only 0.1 point above the preceding category. The highest rating, that of 4.5, appeared in the category which earns more than 5 minimum salaries (173,880 cruzeiros).

The Image of the Ministry

If President Figueiredo decides to change the image of his government, he should certainly begin with the economic sector. The highest rating for this sector was achieved in Curitiba with 3.4 and the lowest came from Porto Alegre with 1.3. Also, the residents of Rio Grande do Sul are not pleased with the labor and social welfare system and show a rating of 1.4, but they made up for this display of dissatisfaction with a 6.1 average for government policy, the highest rating achieved among the secondary items on which a poll was taken.

In all the capitals, dissatisfaction with the economy was evident: after the residents of Rio Grande do Sul, those of Rio de Janeiro contributed the lowest average (1.9), followed by the residents of Sao Paulo (2.1), those of Minas Gerais (2.4), those of Bahia (2.6) and the residents of Parana (3.4). There is an interesting point in connection with the division of the persons questioned into income categories, a system employed in Sao Paulo. As the income category of those interviewed decreased, so did the rating of government performance. Thus, people earning up to 2 minimum salaries gave the item a rating of only 1.7, followed by those in the category of between 2 and 5 minimum salaries (an average of 2.0) and finally by persons who earn more than 5 minimum salaries (an average of 3.1).

Government Criticized by Public Opinion As Early As September

Far from being an isolated fact, a decreased acceptance of President Figueiredo's image revealed by this poll that we are publishing today seems to accompany a strong tendency on the part of public opinion, that is, discontent in a general way with the governors, whether they belong to the PDS [Social Democratic Party] or to the opposition. This is shown by the results of the canvass made by FOLHA on 15 September with respect to four governors elected by the opposition (Montoro, Brizola, Tancredo and Richa), when it was asked: "What do you think of the state government?" the same question that had been asked on 15 May, that is, after 2 months of performance. In the four states, the figures indicated a sharp decline in the popularity of the respective administrations.

Of the governors, Montoro was the one who received the most unfavorable evaluation: only 8.1 percent of the individuals interviewed in September said that they thought his administration was "better than they had expected," a reply made by 17.6 percent of the persons consulted in May. On the other hand, the number of those who answered "worse than they had expected" tripled: 37.1 percent as against 12.4 percent in the earlier consultation.

The results were not much different in the remainder of the states. Governor Leonel Brizola, who in May had received the highest approval rate (45.8 percent of the opinions expressed were favorable), in only 4 months dropped to 28.3 percent, whereas those who find his administration worse than they had expected moved up from 5.7 percent to 20.5 percent.

In Minas Gerais, the percentage of those who regard the performance of Governor Tancredo Neves as worse than they had expected increased from 11.5 percent to 33.3. Those who thought it was better decreased in number (from 20.5 percent

to 14 percent), and the same was true of the answers which said "neither better or worse": from 48.5 percent to 37 percent.

And, in Parana, if the approval rating of Jose Richa's government remained relatively stable (22.9 percent in May, 19.2 percent in September), the percentage of those who regarded it as worse rose from 13.9 to 30.4 percent.

Results Obtained through Sampling

The FOLHA poll was conducted by means of a stratified and random sampling. According to this procedure, only a portion of the population is interviewed and a series of precautions is taken so that the results will not vary significantly from those that would be obtained if the entire population were interviewed, which, let it be said in passing, would actually be impossible.

For the poll published today, the error pattern is equal to 0.5. Thus, when an average equal to 3.5 is obtained from the sampling, the value that would be obtained if the entire population were interviewed would lie between 3.0 and 4.0, that is, 3.5 minus 0.5 to 3.5 plus 0.5. Knowing that the error pattern is 0.5, you yourself will be able to make these computations for each average appearing on the tables.

In a poll such as this, it is worth the trouble to say that no precision is gained when the scope of the sampling is simply broadened inasmuch as starting from a certain number of cases (the breadth of the sampling), the results obtained will not undergo significant change.

To undertake the drawing for the sample, the capitals have their districts and regions classified according to the pattern of the living standard of the residents.

The fact that only one portion (the sample) of the population is interviewed obviously makes it impossible to come up with results wholly free of any fluctuation in the sample.

In this way, if, instead of working with this sample, another were used, it is possible that we would have some points on the plus or minus side. To prevent this "distortion" from having any significance, the sampling methods impose two rules: (1) the operation must be carried out with samplings sufficiently broad to include the most diverse types of informants; (2) the population must first be stratified so that the different types are included, thus reducing the effect of pure chance.

The weighted average is the result of assigning a specific weight to each simple average rating obtained in each capital. This method of computation minimizes the distortions that could occur in terms of the differences in the sizes of the populations polled in relation to the general total of the entire population polled.

The FOLHA poll is an achievement of the Polling Department of FOLHA under the direction of the sociologist, Mara Nogueira Kotscho. The editorial staff is

responsible for the selection of the topic and the discussion of the results. Reginaldo Prandi, author of the poll plan, is the academic collaborator.

Table No. 17

Que notas, de 0 a 10, o sr. dá para a administração das seguintes áreas do governo Figueiredo?

(Notas médias obtidas nas capitais)

Áreas (2)	(3) Capitais	São Paulo	Rio de Janeiro	Salvador	Belo Horizonte	Porto Alegre	Curitiba	Média Ponderada (4)
Política (5)	(5)	3,1	3,1	1,6	3,2	6,1	4,0	3,3
Economia (6)	(6)	2,1	1,9	2,6	2,4	1,3	3,4	2,2
Política Externa (7)	(7)	2,8	3,0	5,5	2,9	3,4	4,1	3,4
Educação e Saúde (8)	(8)	3,4	3,4	4,1	4,2	4,2	5,6	3,9
Trabalho e Previdência Social (9)	(9)	2,7	2,6	4,2	3,9	1,4	3,4	3,0
Agricultura e Abastecimento (10)	(10)	3,3	3,0	4,4	4,8	2,2	5,3	3,6
NÚMERO DE ENTREVISTAS (11)	(11)	(1000)	(600)	(300)	(400)	(300)	(300)	(1900)

(12) A média ponderada de todas as capitais mostrou maior insatisfação com área de economia do governo

Key:

1. What ratings between 0 and 10 do you give the administration of the following sectors of Figueiredo's government? (Average ratings obtained in the capitals)
2. Sectors
3. Capitals
4. Weighted average
5. Government policy
6. Economy
7. Foreign policy
8. Education and health
9. Labor and social welfare
10. Agriculture and food supply
11. Number of interviews
12. The weighted average of all the capitals showed greater dissatisfaction with the economic sector of the government.

<div> <div>Table No. 2</div> <div>(1)</div> </div>				<div> <div>Que notas, de 0 a 10, o sr. dá para a administração das seguintes áreas do governo Figueiredo?</div> <div>(2)</div> <div>(Notas médias obtidas na Capital de S. Paulo)</div> <div>(3)</div> </div>				
<div> <div>(SEXO)</div> </div>				<div> <div>(NÍVEL DE RENDA FAMILIAR)</div> </div>				
<div> <div>CATEGORIAS</div> <div>(4)</div> </div>	<div> <div>Homem</div> <div>(5)</div> </div>	<div> <div>Mulher</div> <div>(6)</div> </div>	<div> <div>Média</div> <div>(7)</div> </div>	<div> <div>CATEGORIAS</div> <div>(8)</div> </div>	<div> <div>Até 2 S.M.</div> <div>(9)</div> </div>	<div> <div>De 2 a 5 S.M.</div> <div>(10)</div> </div>	<div> <div>+ de 5 S.M.</div> <div>(11)</div> </div>	<div> <div>Média</div> <div>(12)</div> </div>
<div> <div>Política</div> <div>(13)</div> </div>	3,1	3,1	3,1	<div> <div>Política</div> <div>(20)</div> </div>	2,8	3,1	3,6	3,1
<div> <div>Economia</div> <div>(14)</div> </div>	2,1	2,2	2,1	<div> <div>Economia</div> <div>(21)</div> </div>	1,7	2,0	3,1	2,3
<div> <div>Política Externa</div> <div>(15)</div> </div>	2,8	2,9	2,8	<div> <div>Política Externa</div> <div>(22)</div> </div>	2,4	2,8	3,6	2,9
<div> <div>Educação e Saúde</div> <div>(16)</div> </div>	3,5	3,3	3,4	<div> <div>Educação e Saúde</div> <div>(23)</div> </div>	3,7	3,1	3,7	3,5
<div> <div>Trabalho e Previdência Social</div> <div>(17)</div> </div>	2,6	2,8	2,7	<div> <div>Trabalho e Previdência Social</div> <div>(24)</div> </div>	2,4	2,4	3,8	2,9
<div> <div>Agricultura e Abastecimento</div> <div>(18)</div> </div>	3,4	3,2	3,3	<div> <div>Agricultura e Abastecimento</div> <div>(25)</div> </div>	3,0	2,8	4,8	3,5
<div> <div>NÚMERO DE ENTREVISTAS</div> <div>(19)</div> </div>	(528)	(472)	(1000)	<div> <div>NÚMERO DE ENTREVISTAS</div> <div>(26)</div> </div>	(300)	(400)	(200)	(900)

(27)

Excluído-se os entrevistados do centro da cidade.

(28)

medida que diminuía a renda familiar na Capital paulista, menor era a nota obtida pelo presidente Figueiredo

Key:

1. What ratings between 0 and 10 do you give the administration of the following sectors of Figueiredo's government? (Average ratings obtained in the capital of Sao Paulo)
2. Sex
3. Family income level
4. Categories
5. Male
6. Female
7. Average
8. Categories
9. Up to two minimum salaries
10. From two to five minimum salaries
11. More than five minimum salaries
12. Average
13. Government policy
14. Economy
15. Foreign policy
16. Education and health
17. Labor and social welfare
18. Agriculture and food supply
19. Number of interviews
20. Government policy
21. Economy
22. Foreign policy
23. Education and health
24. Labor and social welfare
25. Agriculture and food supply
26. Number of interviews
27. Excluding those interviewed in the center of the city
28. The rank obtained by President Figueiredo in Sao Paulo declined in proportion to the drop in family income.

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CSO: 3342/13

FIGUEIREDO MAY VISIT ROME, MADRID IN 1984

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Nov 83 p 6

[Text] President Figueiredo may visit Spain and Italy next year. This possibility is being examined in a "very preliminary" phase at Planalto Palace and at Itamaraty. The visits to Madrid and Rome would complete the schedule of international trips by the president. In coming days he will visit five countries in West Africa and in April or May he will go to Japan.

Diplomatic sources yesterday sought to rebut criticisms against the visit by Figueiredo to the African Continent at this time. According to those critics, the president should not absent himself from the country at a time when difficult negotiations with Congress are underway and on the eve of a decision by the IMF and international private banks with respect to the payment of the Brazilian foreign debt.

Diplomatic sources state that Figueiredo wanted to insure his trip to Africa, a commitment assumed practically since the beginning of his government and which he does not wish to give up. Taking into consideration that next year the presidential succession enters the final phase and there are other international commitments (that of Japan already confirmed and those of Spain and Italy still uncertain), the President decided to visit Africa after Itamaraty provided that opportunity for him this month. Since the trip was decided upon quickly, the schedule was somewhat changed: Itamaraty wanted the president to go to the Ivory Coast--which although it is a country very much subjected to French influence, it has a good potential--but its president will be abroad precisely during the time of Figueiredo's African tour. This is one of the reasons Algeria was put on the schedule and the socialist government of Algiers then accepted the Brazilian offer, desirous of dealing directly with the government and not only with Brazilian businessmen.

Alfonsin

It is unlikely that President Figueiredo will attend the inauguration of the president elect of Argentina, Raul Alfonsin. The election of the radical candidate was well received in Brasilia, however, Brazilian diplomacy is traditionally unaccustomed to setting precedents of that type. Itamaraty even avoids having the minister of foreign affairs appear at the inauguration of heads of governments as the representative of the Brazilian president, also so as not to set a precedent.

INTELLECTUALS PREFER CHAVES, BELTRAO IN INDIRECT ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 83 p 30

[Text] Vice President Aureliano Chaves was the winner in an IBOPE [Brazilian Public Opinion and Statistics Institute] poll on two PDS [Social Democratic Party] candidates in an indirect election, receiving 41.9 percent of the votes. Minister Helio Beltrao came in second and Andreazza third. The poll was taken in eight Brazilian capitals in sectors of the population considered as "makers of public opinion." The poll also indicated that Deputy Paulo Maluf would come in fourth place with 6.1 percent, although rejected in almost all categories such as, for example, "honesty and probity;" 79.9 percent of those interviewed gave him grades of between 1 and 5, of the maximum grade of 10.

Announcing those results, the executive director of IBOPE, Carlos Augusto Montenegro, explained some points he considers important. The poll was ordered and was only being revealed with the permission of the client. It referred only to indirect elections and it analyzed the situation of the country between 14 September and 1 October.

He also said that 1,900 people were interviewed in Sao Paulo, Rio, Recife, Porto Alegre, Belo Horizonte, Salvador and Curitiba. The sector surveyed was the following: University professors, university students in the last year, liberal professionals, executives (management level), businessmen (managers or owners), journalists and housewives (Class A/B).

Montenegro added that because of questions of ethics, he could not reveal who ordered the poll or what it had cost, being able to say only that he was authorized to publish its results. According to him, the people questioned, as well as the questions asked, "are the responsibility of the client."

The question: "Regardless of political-party affiliation, with which of the 'presidential hopefuls' would you feel more at ease and confident, if he were to be nominated as candidate for the coming presidential elections?" The replies were as follows:

Aureliano Chaves, 41.9 percent; Helio Beltrao, 21.5 percent; Mario Andreazza, 7.6 percent; Paulo Maluf, 6.1 percent; Marco Maciel, 4.1 percent; Antonio Carlos Magalhaes, 3.2 percent; Costa Cavalcanti, 0.8 percent. The oddity is that the category "none of them" came in third, with 13.3 percent, while 1.5 percent did not utter an opinion.

With respect to the other categories ordered by the client, the people polled were asked to give grades from 1 to 10 to the candidates. The result presented by IBOPE in alphabetical order is as follows:

1. Como os classificaria quanto à honestidade e probidade:				
	1 A 5	6 A 10	N/Conhece	N/Opinou
Antônio C. Magalhães	55.4	24.7	10.7	9.4
Aureliano Chaves	28.3	65.9	0.5	5.2
Costa Cavalcanti	53.2	21.4	13.7	11.8
Hélio Beltrão	28.7	61.3	1.7	8.4
Marco Maciel	40.3	28.7	18.2	12.7
Mário Andreazza	63.1	29.6	0.8	6.4
Paulo Maluf	79.7	13.0	0.8	6.6
2. Quanto a credibilidade ao transmitir para o povo informações honestas e verdadeiras:				
Antônio C. Magalhães	58.7	21.9	10.7	8.8
Aureliano Chaves	34.5	61.1	0.5	3.9
Costa Cavalcanti	56.9	19.3	13.7	10.1
Hélio Beltrão	33.7	59.3	1.7	5.2
Marco Maciel	45.1	25.3	18.4	11.2
Mário Andreazza	65.2	28.2	0.8	5.6
Paulo Maluf	81.9	12.0	0.8	5.2
3. Quanto a capacidade de competência administrativa para o pleno exercício da Presidência da República:				
Antônio C. Magalhães	55.6	25.7	10.7	8.0
Aureliano Chaves	31.1	64.6	0.5	3.7
Costa Cavalcanti	56.2	20.3	13.7	9.9
Hélio Beltrão	38.6	53.9	1.7	5.9
Marco Maciel	45.6	25.2	18.4	10.9
Mário Andreazza	62.0	31.6	0.8	5.6
Paulo Maluf	70.9	23.1	0.7	5.3
4. Capacidade de comunicação com o povo:				
Antônio C. Magalhães	43.5	39.0	10.7	6.9
Aureliano Chaves	30.8	66.0	0.5	2.7
Costa Cavalcanti	54.0	23.4	13.7	9.0
Hélio Beltrão	34.2	59.8	1.8	4.1
Marco Maciel	40.3	32.2	18.4	9.2
Mário Andreazza	45.8	49.4	0.8	4.0
Paulo Maluf	41.8	54.3	0.7	3.1
5. Capacidade para conceber, orientar e conduzir o processo de desenvolvimento nacional, tendo em vista o bem-estar da Nação:				
Antônio C. Magalhães	59.8	21.3	10.6	8.5
Aureliano Chaves	34.6	60.7	0.6	4.1
Costa Cavalcanti	60.0	16.3	13.6	10.1
Hélio Beltrão	40.9	51.6	1.7	6.0
Marco Maciel	49.3	21.9	18.3	10.5
Mário Andreazza	63.1	30.1	0.8	5.9
Paulo Maluf	75.5	17.8	0.7	6.1

Key:

1. How would you classify them as to honesty and probity?
2. As to their credibility in transmitting honest and truthful information to the people?
3. As to their amount of administrative competence for full exercise of the Presidency of the republic?
4. As to their capacity for communication with the people?
5. As to their capacity for conceiving, orienting and leading the process of national development, keeping in mind the well-being of the nation?

8908

CSO: 3342/22

UNEMPLOYMENT RISES FROM 7 to 7.12 PERCENT IN SEPTEMBER

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Oct 83 p 15

[Text] In September more than 1.7 million persons were unemployed, doing odd jobs or earning less than the minimum wage per month in the metropolitan areas of Rio, Sao Paulo, Belo Horizonte, Porto Alegre, Salvador and Recife. According to the figures revealed yesterday by the IBGE [Brazilian Institute of Geography and Statistics], average unemployment increased from 7 percent in August to 7.12 percent in September in these six cities (875,000 unemployed), while the number of part-time workers declined (825,000).

In Rio de Janeiro clearcut unemployment (unemployed persons who earn nothing but are actively seeking work) rose from 6.55 to 6.66 percent, which means 242,297 unemployed last month. The number of persons who are self-employed and receive no remuneration also increased (from 1.1 percent to 1.14 percent), while the number of part-time workers who earn less than the minimum wage per month declined (from 7.25 to 6.58 percent). The total number of self-employed workers 280,861, meanwhile, was greater than the number of unemployed.

The same phenomenon--underemployment greater than unemployment--is repeated in all the large cities where the IBGE makes its monthly survey of employment, with the exception of Sao Paulo and Porto Alegre. In Sao Paulo, 378,155 persons (7.22 percent of the economically active people) were unemployed in September, compared to 201,124 self-employed persons.

Recife continues to be the capital of unemployment: 8.4 percent of the economically active population despite the small decline compared to the 8.43 percent of August. In this city the percentage of self-employed who receive less than the minimum wage per month is also very high: 10.72 percent. Salvador, on the other hand, holds the record rate of part-time workers who earn less than the minimum wage per month: 11.26 percent.

8908

CSO: 3342/22

INCOMPETENCE, INACTION, RIGIDITY OF GOVERNMENT SCORED

Sao Paulo ISTOE in Portuguese 12 Oct 83 p 35

[Text] It only responds to expediency, it reacts by fits and starts to foreign stimulation, it is incapable of coordinating its own movements. Can it still be called a government?

In the Brazil of the thirties, they used to speak of the "moth-eaten" to designate the old oligarchies swept out by the revolution. We know today that the 1930 movement was not after all as revolutionary as was thought at the time. Many oligarchies survived, some of them even as beneficiaries of the revolution. But no one doubted at that time, or doubts today, that the oligarchic system was definitely eroded, rotten to the core. Weak as it may have been, the 1930 movement left behind it a political corpse. The system of oligarchies had maintained appearances until the last instant. But inside, it was rotten, and it was long before the fall.

The decay of political systems is a very similar phenomenon everywhere. De Tocqueville said of the absolutism of Louis XVI that in its final phase it had become a caricature of itself. The aristocracy had isolated itself from the rest of society, leaving the roots of its legitimacy up in the air lifeless. It kept itself in power by fire and sword but only clinging to the benefices that it received from an inept monarch. The appearances of the French monarchy obviously had a sense of spectacle that was lacking in our oligarchs of the Old Republic. Inside, however, it was almost the same thing. Power had decayed.

I confess that the exactness of historical comparisons concerns me less than the images that reach me from Planalto Palace. Can it be true that we still have a government in this country? It is obvious Figueiredo is there, but the truth is that he does not govern; he is only in charge of the office. He tries to maintain appearances and even in that he ends up floundering. Anyone who studies the small and useless tempest he ended up brewing regarding the statements of Deputy Juruna will have a picture of what the political incompetence of Planalto is today. Can a government incapable of coordinating its own movements and which reacts with spasms to external stimuli still be called a government?

Worst of all is that no serious plan for an alternative government can be seen from the side of the opposition. They speak of direct elections, that is true.

But they do not succeed in transforming that purpose into a strong enough movement of public opinion to revive the hopes of society in a political solution for the crisis. They blocked the route of Decree-law No 2,024 and are prepared to do the same with 2,045. That is good but it is not enough to reach an alternative of power. And with the lack of prospects, there are many in the opposition who lose precious time speaking of the need for negotiation with the government. How can one negotiate with a government that remains as rigid as a corpse?

Let there be no doubt, the atmosphere is beginning to smell of the rotten stench of a coup. It is always so in situations such as this. It is not yet enough for anyone to hide under the bed. But it should be enough for the opposition to begin to prepare to offer a government to the country. And they should know at the outset that in the circumstances in which we are living, a plan of alternative government is much more than a simple list of program points. Above everything else, it is a coordination of political and social forces capable of executing the program. Either we prepare in time, or the worst will come.

8711

CSO: 3342/15

RESUMPTION OF PDS-GOVERNMENT DIALOG, ARTICLE 154 DISCUSSED

Sao Paulo O ESTADO SAO PAULO in Portuguese 23 Oct 83 p 5

[Article by Carlos Chagas: "Ackel Attempts Agreement with the PDS"]

[Text] Justice Minister Ibrahim Abi-Ackel is calling on all his reserves of energy to create conditions for resumption of the dialogue between the government and the PDS [Social Democratic Party], the first step in permitting the difficult negotiations between the parties with a view to approval of the economic measures embodied in Decree-law No 2,064.

In his opinion, there will not be salvation outside of dialog, considering that understanding among the various political forces is a Brazilian tradition. Independence was negotiated, as was the majority of Emperor Dom Pedro II, the republic and a number of later episodes which went as far as the resignation of President Janio Quadros and the establishment of parliamentarianism in 1961. The tradition needs to be resumed, in his words, the solution lying in that historic lesson. In his view, neither the situation nor the opposition will dodge a broad debate about the current crisis.

Along with any other statements of Ibrahim Abi-Ackel, however, it is known that in the government itself there are voices that disagree with the justice minister. Professor Leitao de Abreu, for example, is trusting more in Article 154 of the constitution. Rumors are growing that it will be applied very soon. They even give the number of congressmen who will be affected: 22.

Under that constitutional provision, the attorney general of the republic can appear before the Federal Supreme Court to petition for a suspension of the political rights of any citizen who engages in "an abuse of an individual or political right with the aim of subverting the democratic system or of corruption." In the case of the holder of elective office, the process will not depend on the permission of the respective chamber, so that if any congressman is found guilty, he automatically loses his seat.

Thus, two lines confront one another: one, which clings to full political-institutional normalcy, seeks to have national problems solved by consensus and discussion. The other, even without resorting to a declared exception, believes the time has come to take a hard line. The decreeing of constitutional emergencies responded to their interests but the process should not be stopped there. The application of Article 154 of the constitution would follow, even

further intimidating the Congress and producing immediate effects such as deflating the congressional investigation committees that are investigating scandals in the public administration and related matters. The 22 congressmen could be charged as "abusing their political rights to denigrate the image of the government with subversive aims."

It is absurd, of course, but not far-fetched nevertheless. On the contrary, it has been much discussed since Friday and feared, having been the subject of conversations this weekend in Congress, in Planalto Palace and in party circles. With the hard line, which would not mean abandonment of constitutional principles but the rigid application of its most drastic provisions, its supporters believe that the government would regain control over the country, controlling the economy better and, especially, conducting the presidential succession as it sees fit. It would be getting the PDS in line and compelling it to obey orders, as was the case until a short time ago, not considering, and much less rebelling.

On the other hand, the supporters of a broad understanding begin with the consideration that even mangled and divided, the PDS can recover its lost unity and serve as a basic piece in the juncture. Great effort as well as tolerance and understanding in addition to integration would be needed, but if called to participate and express its opinion, the party would be in a condition to return to the fold. It cannot remain the way it is now, considering that it has become a conglomeration of resentments, frustrations, rebellions and complaints. Never, for example, has Minister Delfim Netto suffered such resounding attacks as he did on Friday at the meeting of the PDS national directorate. That day, Minister Leitao de Abreu, also a member, decided to remain in the shadows. He went to the PDS headquarters but took refuge in a small room and did not appear to the leaders at any time. In contrast, General Golbery do Couto e Silva and the former private secretary of the presidency, Heitor de Aquino Ferreira, behaved quite normally. It may have been in order not to meet them that the chief of the Civilian Household set up a provisional "bunker."

If it does not have the PDS, the government cannot think of winning over the opposition, say those who still believe in the effectiveness of dialog, in contrast to those who do not believe in it, who consider that it will be better to continue the hard line and obtain by intimidation what they have not gained from invitations and convocations.

In any case, things will become defined beginning today, even in the face of the explosive situation: the deposition of former army minister General Sylvio Frota is scheduled for Wednesday before the Congressional Investigating Committee that is examining the foreign debt in the chamber. He is to speak on the "Saraiva Report," but there are those among the hardliners who say that he is not going to speak by any means.

8711

CSO: 3342/15

MALAYSIAN MILITARY EXPERTS VISIT ARMS INDUSTRIES

Sao Paulo O ESTADO SAO PAULO in Portuguese 16 Oct 83 p 6

[Text] Next Wednesday a delegation of Malaysian military experts will be visiting the arms industries ENGESA--Specialized Engineers--Avibras Aerospace and the Defense Aircraft Division of EMBRAER [Brazilian Aeronautics Company], all in Sao Jose dos Campos. The visit of the group of specialists to Brazil is being accompanied by great secrecy at the request of that country's officials themselves.

It is the second time that a Malaysian delegation has toured the Brazilian military industrial park. Two years ago, army engineers from Kuala Lumpur examined the Urutu EE-11 wheeled amphibian tank armed with a 90-milimeter cannon and approved by them in the qualifying tests. However, the international survey was not concluded and the decision on a possible contract was postponed to the first half of 1984.

According to sources at the Commercial Department of the Foreign Ministry, "Malaysia is a different client for various reasons: its personnel have very fine technological knowledge; they are not impressed by only relatively efficient material and, on the contrary, usually demand clear proof of the performance data reported by the manufacturers of all the military equipment in which they are possibly interested." With the support of a strong economy (the country has the highest per capita income in Southeast Asia), the Malaysian government is engaged in a program of modernizing the armed forces, which will require over-all investments in the order of \$3 billion.

In Brazil, the delegation's interest is connected with Engesa's tanks, (particularly the Urutu adapted to the country's terrain, which is rough and swampy) and the Astros II multicaliber saturation rocket multiple launcher of Avibras Aerospace. At EMBRAER, the group will see the EMB-312 Tucano advanced training plane, which can also be used in ground attack missions against guerrilla positions in the jungle.

8711

CSO: 3342/9

WAR MATERIEL EXPORTS, MARKETS, LATEST PROJECTS DISCUSSED

Rio de Janeiro MANCHETE in Portuguese 5 Nov 83 pp 66-72

[Report by Celso Arnaldo Araujo]

[Text] The war materiel industry represents a world business that this year should be worth almost \$500 billion. In Brazil, it is one of the few sectors of the economy that is more or less immune to the recession. Last year, Brazil sold \$2 billion worth of arms abroad: from cannons to planes, from missiles to rifles. This year, exports from that sector should exceed \$3 billion. And in 1985, even if the number of military conflicts underway remained limited to the Middle East, that item should lead the Brazilian export schedule. Every country wants to arm to the teeth and the war industry flourishes as a result of that general and unrestricted arming.

Brazil Exports War Materiel to About 40 Third World Countries

In Brazil today, the arms trade is already a bigger business than coffee and is only surpassed by crude ores. (This does not mean that Brazil is becoming another belligerent power.) As the foreign trade specialists say, it is not a matter of producing guns instead of butter, as during World War II, but of producing guns in order to have butter. The national military industry, currently comprised of about 50 basic industries and at least some 200 support industries, employs more than 100,000 persons. The materiel they produce is used today by the armed forces of at least 38 countries, almost all in Latin America, Africa and Asia, markets formerly monopolized by the U.S., French and Belgian industries.

In that type of business--literally the most explosive of all--exact numbers are almost always an unknown quantity. It is a nervous and risky market the folklore of which includes a number of flamboyant international incidents involving secret buyers and disguised sellers. The Brazilian manufacturers revealed that the importers themselves demand in the contract that neither their countries nor the amount and characteristics of the transaction be revealed, because in the game of war many cards have to be kept up the sleeves of the uniforms. The exact list of the countries that buy the Brazilian war materiel is a secret that probably not even all military ministers know. However, the participation of Brazilian arms in various war theaters of operation all over the world is no longer a secret.

Various Cascavel armored vehicles built by the Specialized Engineers Corporation (ENGESA)--which has become a giant in that sector, having produced about 50 percent of all the wheeled tanks in use in the Western world--were used by Libya in 1977 in the skirmishes against Egypt. In the deserts of North Africa, those 12-ton tanks reached the battlefield on the frontier between those two countries in half the time taken by the squadrons of the gigantic Soviet T-62 tanks and by the very light British Saladin tanks. It was the auspicious debut of the Brazilian tanks abroad. Later, Libya used the Cascavel and the amphibian Urutu, also from ENGESA, in the invasion of Chad. More recently, aboard Brazilian tanks, the Iraqis confronted the soldiers of Iran and captured many positions, thanks to them.

Despite the international success in some of the worst terrains in Africa and Asia, it has not been easy for ENGESA to sell its products abroad. The competitors have great economic power and offer greater financing facilities. But when potential customers are taken to the company's proving grounds in Sao Jose dos Campos or to the Marambaia Sand Bank in Rio, where the armed forces test the Brazilian war materiel, the orders follow naturally.

In the meantime, the company's 100 engineers are working full-time on improving its products and developing new technologies. For example, there is the EE-T1, the first genuinely Brazilian heavy battle tank, which weighs 37 tons, is equipped with a 105 mm cannon and a firing-computer and has a range of more than 700 kilometers. It will be a vehicle adapted to the conditions of developing countries. The project is still secret but the ENGESA will certainly give the EE-T1 a technological solution as revolutionary as that of its tanks, which have a gear system known as "boomerang," capable of transmitting motive power to all wheels, facilitating its action even in impassable terrain.

With 120 Different Types of Arms, Brazil Occupies Sixth Place Among Exporters

To capture positions in the mined terrain of the international conventional arms market--not to mention that of nuclear weapons, which is exclusive to the big powers--Brazil had to make a real war effort, reinforcing its armed forces and providing the conditions for the emergence of new industries in simultaneous operations. In less than 10 years, the military arsenals and the powder plants and factories for reconditioning used arms gave way to a large military industry with factories in various states. In that blitz on various fronts, the manufacturers immediately perceived that they could open up trenches throughout the Third World with simple, strong, very efficient arms and products at highly competitive prices on the world market. Little by little, even under the crossfire of the big powers, Brazil began to occupy its position as the sixth largest exporter of arms in the world, and first among developing countries. There are about 120 different types of arms. And every day something new appears on the "front."

For decades, the production of arms was the exclusive task of the armed forces. Only in the sixties was the conclusion reached that the best policy would be to transfer the technology to private companies which could then train their gunsights on the foreign market, generating foreign exchange and acquiring additional know-how which, finally, could be utilized by the Brazilian Armed Forces themselves.

The privatizing trend was a well-calculated and successful strategy which became crystallized in the seventies with the denunciation of military agreements with the United States; then came the "boom."

The Brazilian companies were able to sign advantageous agreements with France, Belgium, Italy and Britain for the transfer of military technology. Little by little the armed forces freed themselves of the heavy costs of maintaining a major military industry, although maintaining at full blast their research centers such as the Aeronautic Technological Center (CTA) and the Military Engineering Institute (IME), which operate as directing groups for the new military programs. The military authorities have not relinquished the authority to approve each product, not only those for domestic consumption but also those destined for export.

Some of the big brains of national engineering are working today in the Brazilian military industry.

On the drawing boards of the experts, there is already a rough sketch of what would be our first long-distance missile, a sort of electronic guardian having the power of intimidation, a characteristic that none of the items among the current Brazilian war materiel possesses. It is an enormous 25-meter long rocket capable of launching a chemical load or nuclear device a distance of over 2,000 kilometers. The creation of that type of weapon would not be the start of an arms race but the beginning of a slow attainment by Brazil of equal footing with the greater potential of some neighbors in the continent, which was more or less manifested during the Malvinas [Falklands] War.

The modernization of the U.S. M-41 tanks--the famous Walker Bulldog of the Korean War--was a Columbus egg encountered by the Bernardini Company, a firm founded in 1913 by Italian immigrants to manufacture small safes.

Despite being old, the tanks have great firepower and are used by scores of armies all over the world, including the Brazilian Army. But the M-41's are gas-guzzlers: its conventional motor consumes 7 liters of gasoline per kilometer traveled which, in addition to the cost, limits its range, a great disadvantage in a war operation. At the request of the Brazilian Army, which had previously given the company an order to modernize 80 old M-3A1 tanks, also U.S.-built, the Bernardini engineers practically built a new tank on the basis of the M-41. The renovation included replacement of the motor with a national diesel engine, in addition to replacing the cannon, originally an American 76 mm cannon, with a 90 mm cannon. The M-41 Brazilian Army tanks leave the reassembly lines rechristened as M-41 B and equipped with armored skirts over the caterpillar treads. Their performance greatly surpasses that of the original model.

Little by Little our Military Potential Is Assuming the Leadership on the Continental Level

At the same time that it is reinforcing the old tanks of the Brazilian Army, the Bernardini Company uses its military technology to produce bridge-launching

and missile launching versions of the M-3A1 and to build the X-1A2 light tank, a modern 20-ton tank. Two other new, completely national military products are being launched by the Bernardini Company: a mortar tank for use in barrage fire and an ingenious emergency service tank to aid and give rapid maintenance to tanks in the area of operations. But it is with the adaptation of existing models that the Bernardini Company is winning the foreign market. NATO has just qualified the Sao Paulo company in the bidding opened for modernization of U.S. World War II tanks. The winner will not be known until 6 months from now but the Bernardini Company is confident because it has the ante to win; its modernization capacity is about 20 tanks per month. Winning the bid would mean an injection of several million dollars into the country. There are about 6,000 M-41 tanks in operation at the present time, and NATO must have a good part of that stock.

The Brazilian military industry does not live from heavyweights alone. For hand-to-hand combat, Brazil produces extremely efficient weapons with a very special characteristic. To facilitate maintenance of that materiel by foreign armed forces, the parts of the majority of the light weapons manufactured here are interchangeable, that is, any of their components fit a similar weapon. That is the case of the 57 mm recoilless rifle manufactured by Hydroar--another Sao Paulo company--which is a practical weapon with great firepower that can be portable or adapted to military vehicles. But no military weapon is visually more impressive than the flame-thrower also produced by Hydroar. Carried on the back of a soldier, it shoots flames of fire a distance of up to 70 meters in intermittent shots or a single flame. The weapon serves to dislodge nests of soldiers in jungle warfare, for example. It uses diesel fuel, gasoline or the terrible napalm--a material that clings to the skin of the enemy--and was used in the Vietnam War by the American soldiers.

The export goal for next year of the Brazilian Cartridge Company (CBC), with headquarters in Santo Andre, Sao Paulo, is 300 million projectiles. This means a fantastic hail of bullets fired by 33 countries, including Britain and Switzerland. From a 9 mm pistol to the 30 mm cannon of the Mirage planes, samples of those projectiles are tested by the CBC in an impressive testing tunnel half a kilometer long. Special customers order special calibers and the CBC puts all of its technology of more than 50 years at the service of those deadly requirements.

Explosives are what Valparaiba manufactures and exports. It is a company that has 31 maximum security buildings spread out over an area of 826,000 square meters of forest in the municipality of Lorena, in the state of Sao Paulo. They are explosives for various types of combat, among them a complete line of smokehand-grenades, that is, grenades that produce smoke permitting sighting of targets at a distance of over 1,000 meters. Our naval fusilier [marine corps] uses another company product: the Parabellum 9 mm hand machine-gun.

As can be seen, on land, sea and air, the Brazilian military industry does not sound like a party shot. The country has entered this war for real; with body and shell [play on words in Portuguese].

Operation Tricordio--Brazil in Readiness

In all countries (with the usual exceptions: Switzerland, etc) the armed forces are living today in a state of permanent alert. And the Brazilians do not escape the rule. "In war, the one who wins is the one who has the capacity to last," says the commander of the 5th Air Transport Air Force, Brigadier Ivan Frota. In September, he was in charge of Operation Tricordio--the largest joint maneuver conducted thus far by the Brazilian Air Force (FAB) and the army. It consisted of 10 days of exercises in Minas Gerais, with a camp set up near the future airport of Belo Horizonte and a simulated attack in Pirapora (270 kilometers to the north). An airborne assault with the dropping of parachutists was scheduled. The participation of the Air Force was basic but no less important than that of the Parachute Brigade. The war scenario drawn up by the strategists conceived an invasion of Blue country (represented by the states of Minas Gerais, Rio de Janeiro and Espirito Santo) by the Red army (supposedly of Goias): enemies for scores of years, the two imaginary countries went to war and during the maneuver the invader controls a strip of Blue territory. The parachutists are going to take the airport and the bridges of Pirapora and prepare for the arrival of a large armored regiment (which, meanwhile, exists only on paper). From 24 September to 1 October, the northern region of Minas really looked as if it were in a state of war; 1,600 men were transported by scores of planes. Every 10 minutes, huge Hercules and Buffalo cargo planes as well as Bandeirante planes and Puma helicopters took off from the Dos Afonsos Base in Rio. On D-Day (Wednesday the 28th), reveille was at 3 am. The first helicopter left at 5 am. At 7 am, F-5 fighters began the ground-level flights to soften the launching zone, simultaneous with the capture of the airport and the bridges over the Sao Francisco River in Pirapora. The counteroffensive of the Blue country had begun, aimed at carrying the fighting beyond the enemy's borders.

According to the officers, the success of the operation was guaranteed by the coordination of the army and air forces with split-second precision. The only failure occurred when a formation of three Buffalo planes overflew the demarcated zone without dropping 90 soldiers. In a real combat situation, the error would have been a great mishap. But it did not compromise the objectives of the exercise. The maneuver continued for 48 hours, considered sufficient time for the arrival of reinforcements.

8711

CSO: 3342/18

DECENTRALIZATION OF FUNDING FOR S & T SECTOR DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Oct 83 p 14

[Article by Rosangela Bittar: Science and Technology do not Escape the Crisis but do Keep Appropriations]

[Text] Brasilia--The country's economic crisis does not affect the science and technology area in any special way; it has been suffering the same containment as the other sectors of the government, constituting more of a budgetary restructuring than a reduction, based on the political principle of decentralization of financing. This position, supported by teams of advisers of the National Council for Scientific and Technological Development (CNPQ), is based on a comparative study of the budget for science and technology.

The analyses show that there are problems in the release of funds, the same ones that affect other areas, such as lack of cash and delay in transferring the appropriations. However, they note that these appropriations have grown in a significant manner and the researchers have direct access to at least 50 percent of them.

The study conducted covers 5 years and takes as its basis the initial budgets of the principal government agencies that invest in the sector of science and technology. In 1979, they were budgeted at 158.2 billion cruzeiros; in 1980, the initial funds totaled 155.8 billion cruzeiros, an increase of 2 percent [1979 and 1980 figures apparently reversed]; in 1981, 173.7 billion cruzeiros, a 10 percent increase; in 1982, the initial budget totaled 298.3 billion cruzeiros, for an increase of 88 percent; and for 1983 the initial budget is set at 380.1 billion cruzeiros, an increase of 140 percent.

These funds were raised from the federal budget and do not include, for example, the appropriations of EAPES--(Coordinator of Advanced Training for High-Level Personnel) the expenditures of Brazilian Agricultural-Livestock Research Enterprise, Fiocruz, INP, EMBRAPA--the Evandro Chagas Institute, the research institutes maintained by the CNPQ and numerous other agencies connected with government institutions. An attempt at adding up those appropriations, for example, comes to an estimated initial budget for science and technology of 678.7 billion cruzeiros in 1983.

"The government's policy has been to decentralize the allocation of funds, guaranteeing to the various institutions conducting research programs the means

necessary for their infrastructure. Therefore, to distribute expenditures in this area considering only the budgets of the CNPQ and the National Scientific and Technological Fund (FNDCT), generated by FINEP [Studies and Plans Financing Agency], is shortsighted," declare the experts.

Of the federal budget for science and technology, the researchers have direct access to at least 55 percent, as shown by the studies conducted by the CNPQ; 29 percent through the FNDCT of the CNPQ itself, of CAPES and the universities; and 26 percent from other research institutions, among them EMBRAPA and Fiocruz.

The experts who compare the available and already analyzed data argue that they are still quite preliminary and subject to changes because the work of studying the expenditures on science and technology was only begun in 1981. Now, for example, the CPNPQ is beginning to include in the survey the expenses of the private sector on science and technology, contacting about 500 companies that maintain research programs.

In 200 of them, where the programs are more significant, the expenditures on tests and quality control, product and process engineering, national technical assistance, process use license, patent registration and studies and other research will be analyzed as typical science and technology expenditures. Similarly, the activity of the state companies has been little detailed until now, although a preliminary study conducted at the beginning of the year already indicated its significant presence with 32.5 billion cruzeiros in the initial budget of 1982 without counting as science and technology expenditures the purchase of technology abroad.

The same type of exception is made by the National Scientific and Technological Development Council with reference to the investments made by the state public agencies. Although a first analysis may show that during the same period of 1979 to 1983 the expenditures on science and technology decreased in the states, mainly due to the influence Sao Paulo where the Paulo Maluf administration drastically reduced the funds for science and technology with direct access to the researcher, the CNPQ budget experts prefer to wait for the development of the overall studies that reconcile all the sectors to arrive at a conclusion. In the meantime, the real figures analyzed refer to the federal government portion and these reveal "a substantial increase," according to the special advisers of the CNPQ.

According to the CNPQ analysts, a factor that leads to the error regarding the increase of federal funds for science and technology committed by critics of the scientific and technological development program is that of "deleting the FNDCT." Even this analysis is hedged with caution and reservations by the experts in view of the fact that it is also now that they are beginning a more precise detailing of the old and the more recent composition of the FNDCT, directed by the Studies and Plans Financing Agency.

This fund concentrated the appropriations that were later allocated to the government agencies. Citing an example, the experts show that in 1975, 33 percent of the FNDCT appropriations were connected with the nuclear energy programs. Today those appropriations are completely budgeted in NUCLEBRAS. The FNDCT also

included the appropriations of CAPES and the CNPQ itself. The analysts mention that there were periods when it was not possible to apply all of the FNDCT funds because of their volume, scope in terms of areas and the bureaucratic aspects that prevented a rapid flow between the analysis of the projects and release of the appropriations. The budgetary and executive decentralization completely changed the picture, a large part of its old funds being in the budgets of various government agencies and the FNDCT remaining with a specific function.

If the analysis of the available figures is optimistic and if the studies that will give a more inclusive and realistic view of Brazilian expenditures on science and technology are only beginning, what are the reasons that have led the scientific community to repeat the charges about the reduction of funds and to demand larger budgets for that area? According to the interpretation of the analysts of the CNPQ budget, there are two phenomena that justify the concern of the scientific community which is based primarily on two problems: the lack of funds in the laboratories and the loss of the purchasing power of scholarships.

The question of scholarships, they comment, is directly connected with the general containment of expenditures on personnel and in the last 2 years they further underwent the change of the system from annual to semiannual readjustment, which caused the increase to be 117.5 percent in 1 and a half years. "The value of scholarship decreased in real terms," comment the experts, adding, however, that the same thing occurred with wages generally.

As for the lack of funds, it stems mainly from the delay in transfers, caused by the lack of cash: "The problem is not budgetary but basically financial. There is no crisis of budgetary grants but conservation in the application of the funds and that is where there is a crisis of lack of cash which affects all sectors of the government without distinction."

To explain the new policy of decentralization of funds to the scientific community and guide it in obtaining appropriations from the principal sources of financing for science and technology, the National Scientific Development Council published a guide which is in the process of constant updating to identify, classify and describe the activity of the different sources of funds.

8711

CSO: 3342/9

'CLEARING,' TRIANGULAR TRADE TRANSACTIONS WITH HUNGARY VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Oct 83 p 26

[Text] Rio--Hungary wants to expand its trade exchange with Brazil, which last year gave the Brazilians a favorable balance of \$128 million, through the use of two systems: the "clearing" (currency agreement) and triangular transactions, made with financing from that country.

That information was given in Rio yesterday by the vice president of the Foreign Trade Bank of Hungary, Nandor Gyongyosi, during Second International Rio Week, adding that there are several deals under discussion and some already made within the triangular transaction system.

Nandor Gyongyosi pointed out that through one of those triangular transactions already concluded, Hungary is selling to the Mendes Junior Construction Company asphalt and canned meats used in its work fronts in Iraq. Other Brazilian companies operating abroad may adopt the same system, he added, purchasing in Hungary products needed for their operations because they are cheaper, especially because of the reduction of transportation costs. According to him, if the same products purchased from Hungary were brought from Brazil to Iraq, for example, they would cost much more.

Nandor Gyongyosi declared further that, within the past 30 days, 10 ships brought rice to Brazil purchased from a number of countries, including Thailand, with Hungarian financing in the amount of \$30 million. He observed that other deals are in progress and believes they may be consummated because Hungary wants to expand its trade with Brazil, basically with triangular transactions.

In Nandor Gyongyosi's opinion, Hungarians have already become accustomed to using Brazilian products, from clothing and shoes to soy meal consumed by cattle. According to Nandor Gyongyosi, Hungary knows that for each \$100 of products bought from Brazil it only manages to sell \$30 "because Brazil only has a need to purchase that amount." With regard to the financing, he pointed out that Hungary grants it to Brazil without restrictions but has adopted selective criteria for Third World countries, selecting those that "have real possibilities of paying."

8711

CSO: 3342/8

PURCHASE OF POLISH SHIP FOR ANTARCTIC PROGRAM CONFIRMED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 83 p 9

[Text] Minister of Navy Maximiano de Fonseca yesterday signed a protocol of intention with the Polish Government for the purchase of a research ship for the Brazilian Antarctic program and for the making of studies off the coast of the country. The protocol makes no reference to prices nor to the delivery date of the vessel. However, it formalizes the agreements which are being made in that respect and means that Brazil has accepted the last construction plans sent by the Poles.

Admiral Mucioi Piragibe Bakker, executive secretary of the Maritime Resources Interministerial Commission, pointed out that the ship will be of great use off the Brazilian coast when it is not being used for Antarctic missions. The ship should cost around \$50 million and the reason Poland was given the contract is because of the debt of that country to Brazil.

The ship will be suited for making investigations in the areas of biology, oceanography, physics, geophysics, ichthyology and meteorology. The characteristics established up to now indicate that the ship will be able to carry 35 scientists in addition to 75 officers and crewmen. Of 98.5 meters in length and 2,000 tons displacement, it will be able to produce 100 liters of drinking water per day per person. Its range is estimated at 16,800 nautical miles, a condition considered important for the accomplishment of missions in Antarctic seas. It will also have the capability of overcoming pack ice (large areas of frozen sea) which may have a thickness of up to 60 centimeters. It will also be able to break ice flows of up to 20 meters in diameter and 1.2 meters thick. Another point that is considered important is the existence of an on-board trash burner, something the "Barao de Teffe" does not have. Since the Antarctic is a region which has its environment protected by the Antarctic Treaty, this should be a priority condition to prevent--as in the Barao de Teffe--on-board trash from being thrown into the ocean.

The ship, according to the expectations of the experts, should be ready 2 years after the signing of the construction contract, which could still take place this year.

8908

CSO: 3342/22

FIRST AM-X FLIGHTS SCHEDULED FOR JUNE 1984

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 83 p 8

[Article by Roberto Godoy: "The AM-X Should Fly in July"]

[Text] The first flight of the new Brazilian military fighter, the AM-X, will take place in June of next year in Turin from the test airstrip of Aerotalia, leader of the Italian consortium that is carrying out the binational program in partnership with EMBRAER [Brazilian Aeronautics Company] of Sao Jose dos Campos. The final assembly of the prototype began 2 weeks ago with the joining of the wing--built in Brazil and sent to Italy on the 5th--to the fuselage, which was partially manufactured by Aermarchi of Casele.

The first formal ceremony, the roll-out of the plane, scheduled for February, was canceled so that the timetable, scheduled by mutual agreement between the air forces of the two countries, could be maintained. In the roll-out, the plane merely rolls on the landing gear, going from the assembly line to an external apron.

Yesterday, EMBRAER announced that the evaluation of Italian engineering for the Brazilian wings was the highest. That section of the AM-X has a span of 10 meters and a total area of 21 square meters to house tanks that permit a range of 2,000 km and under-wing-mounted military loads (rockets, missiles and bombs) of up to 3,800 kilos. A milling machine with five axes, controlled by computer, was used to manufacture it. The wing uses compound materials such as carbon fiber and kevlar, thus acquiring great resistance, including resistance to the direct impact of light antiaircraft fire.

The program of the AM-X supersonic jet (which is going to dive at speeds of close to 1,200 km/hr) was expanded in recent days with the signing of an agreement in London for the manufacture of Rolls-Royce Spey MK-807 turbines under license in Italy and Brazil. The motors will be completely produced by Fiat Aviazione and various components will come from Brazilian suppliers, the first of which has already been selected: it is Motortec of Rio Grande do Sul.

The AM-X was designed in Italy and interested the Ministry of Aeronautics of Brazil when its basic specifications became known.

8711

CSO: 3342/15

ANTARTIC SUPPORT STATION TO BE INAUGURATED IN DECEMBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Oct 83 p 18

[Text] Porto Alegre--The navy minister, Admiral Maximiano da Fonseca, is going to travel to Rio Grande do Sul in the first half of December (the date has not yet been determined) to inaugurate in the city of Rio Grande (312 kilometers south of Porto Alegre) an important stage in the Brazilian Antarctic Program (PROANTAR): the opening of the Antarctic Support Station (ESANTAR).

Occupying a modestly constructed area of 520 square meters, for the time being, ESANTAR in the future may be an important connecting point not only for Brazilian expeditions but also for expeditions of other countries to that continent, according to sources at the University Foundation of Rio Grande (FURG). The Federal Republic of Germany and Great Britain have already expressed interest in using the infrastructure, which is strategically basic because, starting from there, it can offer a technical-scientific, logistic and naval apparatus which no other port on the east coast of South America has.

The station itself is no more than a large modular building, the roof of which has not yet been completed, built on the new campus of the FURG. It cost about 50 million cruzeiros and was financed by the Interministerial Sea Resources Commission (CIRM). In the future, it can be expanded to 2,100 square meters as needed, according to the original plan. At the end of the next Brazilian expedition to the Antarctic in the summer, it will serve as a depot for vehicles, clothing, technical and scientific equipment and material-collecting implements used during the trip, items not needed on the ship currently used by Brazil in its Antarctic research--the "Barao de Teffe"--when it is out of the area.

But more important than the physical installations of ESANTAR is all of the technical-scientific structure that surrounds it. FURG, for example, has the oldest graduate course in oceanography in Latin America and the only one in Brazil, in addition to having various laboratories in which work in the most varied areas of ocean sciences can be conducted.

The port of Rio Grande, the last one on Brazilian territory in a southerly direction, has shipyards qualified to solve practically any technical problem that may occur with the ships, both national and foreign, in addition to personnel, communication equipment and vessels to render first aid in cases of accidents at sea. The city is also the headquarters of the 5th Naval District.

And the Rio Grande trade is today the reference point for supplying the majority of the ships that head south.

In this first stage of operation, more than 10 highly specialized experts of the Navy Ministry and research institutions will be assigned to work at the station. Some mandatory replacement parts normally used in the ships will already be stocked there. FURG oceanologist Osmar Muller Junior believes that in the future ESANTAR can be an important connecting center for the Brazilian base or bases in the Antarctic continent because of its geographic position, which is closer to the area than other places in the country. By the end of this month, FURG should determine the exact date for the inauguration of the base. It will be in the first half of December but, independent of the date, the navy minister has already confirmed that he will be there. It is most likely that until then, Brazil will already be setting up its first Antarctic station.

8711

CSO: 3342/15

CVRD INAUGURATES FIRST TITANIUM PROCESSING PLANT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Oct 83 p 26

[Text] The Vale do Rio Doce Company [CVRD] today inaugurated the country's first titanium pilot plant in Tapira, 20 kilometers from Araxa. It has a production capacity of up to 15,000 tons per year of that product from anatase ore. The pilot plant to be inaugurated cost \$16 million.

Titanium is a product the use of which is being rapidly expanded mainly in the aerospace industry and in the military equipment area such as submarines and tanks. In Brazil its principal use is in the production of pigments in the paint industry.

The plant in Tapira will begin production at a rate of 2,000 tons per year, producing large lots of samples that can be industrially worked and making possible an evaluation of the parameters of the plant, which is completely new.

All the plant equipment is national and some designs were developed for the Tapira plant. Despite helping the equipment industry in this time of crisis, this did not facilitate the installation of the plant inasmuch as several items of equipment presented and continue to present quality problems.

The Vale company has already been contacted by four multinational companies that are willing to install a pigment plant in Brazil, among them Dupont and a partnership between the French Laporte Company and the Andrade Gutierrez Construction Company of Minas. In order for that to be possible, after the pilot plant has been tested, that Vale do Rio Doce Company would have to undertake the installation of a titanium industrial unit with a capacity of 150,000 tons per year.

For the industrial plant, the CVRD would have to invest between \$60 and \$80 million because a unit of that size has an estimated cost of \$130-\$150 million. but any decision in that regard will not be taken until next year when there are already concrete results from the pilot plant and perhaps if the installation of a pigment factory in the country is assured.

The inauguration of the pilot plant today will be attended by Mines and Energy Minister Cesar Cals, Minas governor Tancredo Neves and the president of the Vale do Rio Doce Company, Eliezer Batista.

8711

CSO: 342/9

BRIEFS

FIGUEIREDO ON MORATORIUM--The Brazilian Government will continue to make all efforts possible for finding a negotiated solution to resolve the problems of the foreign debt, under no circumstances accepting a resort to moratorium as the best solution, President Joao Figueiredo yesterday assured U.S. businessman William Geissler, the co-owner of the UNITED PRESS INTERNATIONAL news agency (UPI) located in the United States. Geissler, who met with Figueiredo in the company of other UPI directors, said the president is convinced that approval of Decree-Law No 2,065 sent to Congress by the Executive Branch, will be the first step in facilitating negotiations by economic authorities of his government with international creditors. "In that way we shall be taking a real step for negotiating and we expect from the creditors the same willingness to negotiate with frankness, but keeping in mind the reality of events," Figueiredo said. William Geissler, who has just participated in the Conference of the Inter-American Press Association (IAPA) in Lima, said he did not talk with President Joao Figueiredo about the political situation of the country or about the position of the Brazilian Government with respect to the national or foreign press. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 83 p 30] 8908

HELIBRAS HELICOPTERS FOR NAVY--The director of Aviation of the Ministry of Navy, Adm Aymara Xavier de Souza, yesterday signed a contract with HELIBRAS [Brazilian Helicopters, Inc] for the purchase of three "Ecuriel" helicopters made in France, which are renamed "Esquilo" by HELIBRAS. The admiral refused to reveal the amount of the contract but a representative of the Minas Gerais Government admitted that it will be 3.3 billion cruzeiros. Aymara Xavier de Souza pointed out the support the navy is providing with this contract so that in the future there will be a helicopter factory in the country with its own technology. HELIBRAS is linked to the government of Minas Gerais and the French group Aerospatiale owns stock in it. The helicopters should be delivered to the navy within 90 days, because they will only be assembled with French-made components in the HELIBRAS plant located in Itajuba, Minas Gerais. The helicopters will go to the General Use Squadron of the Naval Air Force located in the Rio de Janeiro municipality of Sao Pedro da Aldeia. According to aviation legislation, which is still opposed by the Navy, the Brazilian Air Force operates military aircraft, including those on the aircraft carrier "Minas Gerais" of the navy, while the navy operates only the helicopters. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 83 p 5] 8908

ANDRES ZALDIVAR ON UNITY OF CHRISTIAN DEMOCRATS

Santiago ERCILLA in Spanish 2 Nov 83 pp 13-14

[Interview with Andres Zaldivar, president of the worldwide Christian Democratic Party, by M. Isabel Fernandez, date and place not given]

[Text] He returned to Chile barely 2 months ago as the president of the worldwide Christian Democratic Party. The expectation surrounding his arrival ran through two groups. Both the Christian Democratic Party and the government wanted to clarify one unknown: What would happen inside that party with the arrival of a man who was its president for 6 years? He himself gave the answer without equivocation: "I am in full accord with what has been done by my party," he said. "I absolutely support Gabriel Valdes and loyally share the positions of the Democratic Alliance. Those who were hoping that I would be a divisive factor within the party were mistaken..."

Thus, at the outset, he clearly established his position. In the few weeks he has been in Chile, he has said this and much more: that the country should return to its democratic path to overcome the moral, social and economic crisis which, in his opinion, is taking Chile down the dead-end street of hatreds and revanchisms. To accomplish this, he said that the present opening should not only be in words but also in deeds. And that the government should now set a concrete political timetable which offers real guarantees of a desire to advance toward democracy "because otherwise the country is going to be knocked silly by a confrontation."

Andres Zaldivar Larraín has returned as faithful to his principles as when he left. He is the same as ever. Sure and vehement in his answers; decisive and direct when he thinks things have to be told the way they are, even though it hurts.

He received us in his home at lunchtime. And, without beating around the bush, he once again took up the subject of the internal situation in the Christian Democratic Party. He spoke about his party with enthusiasm. Of how after 10 years of military government the party, in his opinion, is now projecting the image of a solid party, without divisiveness, which represents an important spectrum of public opinion. He acknowledged that

there are various factions within the party but that these do not worry him. He said that they are different points of view with respect to the strategies to be followed but that in what is fundamental, the ideological framework within which the Christian Democratic Party takes its political actions, there is ironclad unity.

As for the current role of the opposition, he said that he had a great deal of faith in the Democratic Alliance, "because it is giving rise to a possible understanding among different political forces, which will make it possible to take common positions vis-a-vis any alternative that might present itself in the near future."

Concrete Definitions

[Question] Public opinion, however, seems increasingly more disillusioned with the role assumed by the opposition and, concretely, the Democratic Alliance. The party is being accused of frivolity and triviality in its arguments, of not having known how to form a serious opposition, with weight; and specifically, it is said that in the midst of so much internal power struggle the Democratic Alliance has already failed in its objective of representing a large opposition bloc. What do you think?

[Answer] That is an unjust accusation because we cannot ask Democratic Alliance, which was established recently, to behave like a party that is 20, 10 or 5 years old. I do think that it is right to demand very serious and very clear conduct of the opposition.

[Question] That is exactly what is being asked of it. And to be more precise, what it is now being asked to do is to state its position on specific subjects. One of these is with respect to the Communist Party. Do you continue to maintain that in the game of politics it is better to have the communists above the table talking rather than under it kicking us?

[Answer] I have always maintained that there is no possibility of the Christian Democratic Party's making an alliance or government pact with the communists. That is clear. We have different ideological programs. What is more, I am convinced that the Chilean Communist Party, in its historical-political conception, is not seeking a democratic solution for Chile. The other difference is what is being done with the Communist Party. Because there are people here who think it can be eliminated by decree.

I am absolutely opposed to the elimination of parties. I am in favor of condemning all antidemocratic behavior. Finally, and here comes what I call having communism above rather than under the table, namely that the Communist Party should be required to make a democratic commitment, above all in a period of transition. Thus, the Communist Party has to do its part so that the rules of the game operate; and if it fails to do its share, we should denounce it to public opinion.

[Question] But is it not somewhat naive to think you can talk and sign "agreements" with the communists, in consideration of Chile's experience during the Popular Unity government?

[Answer] It is not a question of naivete. I want to offer a practical thought. What happens if the transition takes place tomorrow? A transition of the kind I am going to support: a government run by individuals who give assurances and who have the total support of the political and social forces, so that this period can be confronted successfully. That government has to attempt to obtain a pact for its own peace of mind. Of course, it would be easier to leave it on the outside; however, by doing that I am giving it a gift by placing in its hands the possibility of picking up all the dissatisfaction or all the problems that transition will bring with it, which are many.

Definition of Dialogue

[Question] Another clarification being requested of Democratic Alliance is that it states what its real definition of dialogue is, because for many what has happened up to now is nothing more than a "dialogue of the deaf" from the moment that Democratic Alliance demanded the withdrawal of Pinochet as one of its basic premises. What, specifically, is the Alliance's position today?

[Answer] I think that Democratic Alliance has been the party that has most demonstrated its willingness to engage in dialogue. I might even say one of the criticisms made against us has been that we are too dialoguish. The imposition of conditions, such as the one you mentioned, does not invalidate its capacity for dialogue. I can believe that at a given moment General Pinochet is the big obstacle to democracy and that it is legitimate, if that is what I think, to propose it and even request his withdrawal...

[Question] If you propose this alternative you will be going against a majority of the people who approved a constitution in 1980 which set concrete timetables with respect to the duration of this government.

[Answer] There is the difference. We do not believe in this constitution. When one sits down at a table he does so to seek a solution or to find out there is no solution. In order for there to be a solution, both parties have to make concessions. We have already proposed our political program. On the other hand, the government has not proposed a thing. Except for its saying that at best it might form a parliament. As I see it, that is not a concession because in order to seek a solution the country has to prepare a political program to return to democracy.

[Question] The political program is already set by the constitution...

[Answer] If it has a political program, then why are we talking. We do not agree with that political program and feel that we represent the majority of the country.

[Question] Let us get back then to the dialogue of the deaf...

[Answer] What we have to do, then, is get back to the entity which should resolve this problem: the country. And propose to it the two alternatives. If the government stands firm on its position on the 1980 constitution and we do not accept that path because we do not think it is the way to go, well, the country will decide: let us have a plebescite.

Political Laws

[Question] For that to happen, you would have to undertake what many say should have been the first topic of dialogue: a study of the political laws and the electoral law.

[Answer] But for many years we have been asking for voter registration, for an electoral law, for a political parties law, but no one has ever listened to us. We are in agreement: voter registration always should have existed and should exist. Now, this is a problem of the government.

[Question] Would your group be ready to participate in the study of the political laws?

[Answer] We are ready to reach an agreement on a clear and concrete political program with an opening to democracy; and within that program there should be political laws. But let them not grab me and say: look, first we are going to prepare the political laws and afterward we are going to do the rest. No, because I would be falling into a trap.

[Question] And what about the possibility of making concessions?

[Answer] I am not going to go to the Council of State to discuss a political law because it is not an independent organization and does not have decisionmaking authority. The logical thing would be for an electoral law to be prepared by a group of persons above reproach as regards their democratic conduct, which will give assurances to all sectors and which could make a concrete proposal on this matter.

I think that the proposal made by the Alliance in its last memorandum could be implemented. A joint commission with a proviso that whatever it approves will be published as law. A commission made up of representatives of the government and representatives designated by the opposition. We would be prepared to participate on that commission, but, I insist, within the framework of a complete program.

[Question] Finally, you have said that in politics you are like the son of former President Frei. Others add to this that you were also his "heir apparent" and that, therefore, in a new political stage you would be the certain presidential candidate of the Christian Democratic Party? What do you think of that?

[Answer] In the first place, Frei was truly like a father to me in political matters. The question of whether or not I am his heir apparent has no basis. Frei was not going around looking for heirs apparent but rather was trying to form teams and, of course, there were persons closer to him than others. Now, this business of being or not being a candidate has no importance; and I am sincerely, not concerned about it. It would be petty and stupid for me to concern myself about a thing that has no relevance at this time. What is important today is for everyone to make a contribution wherever he is. Seeking a solution for Chile by peaceful means and preventing this country from falling into violence. And I think that the only solution is seeking an opening to democracy in the shortest time possible.

8143

CSO: 3348/57

'FRENTE CERO' EXTREMISTS SIMILAR TO SHINING PATH

Santiago EL MERCURIO in Spanish 7 Nov 83 pp A-1, A-12

[Text] The "Frente Cero" [Zero Front] terrorist group, whose participation in the assassination of carabineros is being investigated, has been charged with the slaying of the president of a neighborhood commission. Following is a complete report on this "armed branch of the CP" and its terrorist plans.

Two members of "Frente Cero," which is considered the armed branch of the Communist Party, were arrested during a raid on one of their headquarters, in an intensive search for the assassins of neighborhood leader Pedro Segundo Sobarzo Luque, according to information released yesterday. It was added that the security services which took action seized two sub-machine guns, a pamphlet titled "Manual of Protests," a large amount of instructional material and information on the activities of the terrorist group.

EL MERCURIO had access to this documentation in which the extremists acknowledge their participation in a series of actions, including attacks on carabineros in fixed posts in order to obtain "rods"; two attacks with explosives, one on 29 October in Osorno and the other at the FISA [Santiago Industrial Fair], the following day; the dynamiting of a high-tension tower in Temuco; and the attack with explosives on the Gas Company headquarters building on 1 November.

The security services said that as part of all these coordinated actions, it is very likely that the members of "Frente Cero" were responsible for the death of neighborhood leader Sobarzo Luque on the same day, 1 November.

Who They Are

Security experts emphasized the "alarming similarity" between the methods used by "Frente Cero" at this stage with those of the cells of the Peruvian "Shining Path," at its beginning.

Members of these terrorist cells compose "operating groups" consisting of four or five persons. They have "combat units" which, according to a report found in the house of a member of this communist branch, Orlando Jara Aedo, "combat units should be formed around mass organizations, such as trade unions, sports clubs, neighborhood centers, etc."

The document states that the mission for 1983 consists in infiltrating the armed forces and equipping themselves with weapons seized from armed personnel at fixed posts "to later attempt an attack on a police station."

"They are so compartmentalized," a security expert said, "that when we arrested the Chilean connection with 'Shining Path' in Peru, we could not get beyond that point because the man really did not know anything more."

What They Are Doing

Among the party orders found with the reports are those relating to the use of psychological warfare, industrial sabotage, "expropriations" of money, "the punishment of torturers" and the struggle in the streets.

The "Manual of Protests" provides complete instructions on how to manufacture four kinds of "miguelito," [time bombs] one of which is placed on bottle caps and blackened to prevent a shine. There is also instruction on the manufacture of "petacas" [? bombs for attache cases], incendiary bombs, Molotov cocktails, smoke bombs with "Krishna incense and bombs in the shape of pingpong balls to be placed in the gasoline tanks of automobiles to set them on fire. There are also instructions with illustrations on the use of "chains" to cause electrical short circuits and other kinds of sabotage.

The experts said it is worth noting that the texts contain the words "jalar" to pull, "pita" [brandy] and others which are typically Peruvian words or expressions.

"Comrade Patty"

Among the picturesque passages in the confiscated documents from "Frente Cero" is a report from the directorate of the organization which "criticizes male and female comrades."

Some individuals have political aliases such as "David," "Julio," "Yamil," "Watusi," "Beno," "Camilo" and "Felix."

Some verbatim passages of the documents read as follows:

--We picked up five short arms but lost two long arms because of the repression. Ramon and Beno were killed.

--Dr Bernardo was broken up by the death of Beno and left the Olympic Village Clinic. They were old friends. Francisco took refuge in his parents' home but the repression raided it.

--Comrade Patty withdrew from the fight because her forte was political discussion, but her comrades (Frente Cero) were more militant than intellectual.

--We gave Martin photos and papers to prepare false IDs. Martin did not follow through.

--Comrade Julio and comrade Claudia have been kicked out. In the first place, comrade Julio tried to rig a petaca but made it blow up. This caused serious damage to our security system as the entire district heard about it. The directorate pulled them out and sent them to a safe house. They were given money for rent and food, but comrade Claudia spent the funds on clothing. Because of this serious infraction summary punishment was ordered for the female comrade; however, in light of repeated infractions, by both of them, a decision was made to kick them out.

--David and Marcela had a problem with a pregnancy. Part of the \$40,000 given to them for food was used to defray the expense of an abortion for the female comrade.

8143

CSO: 3348/57

DRUG LORDS REPORTEDLY QUIT POLITICAL LIMELIGHT

PA101956 Colombia EL SIGLO in Spanish 7 Nov 83 [no page given]

[From the "1-Minute Notes" column by Dario Hoyos Hoyos]

[Text] Under pressure from small drug traffickers, who sometimes take the rap from the authorities and go to jail to protect their chieftains, some drug lords have agreed not to engage in partisan politics, to the relief of those active in the world of drug marketing and abuse.

Circles close to the coca business feel that Pablo Escobar and Carlos Ledher are to blame for all of the setbacks which drug traffickers have suffered lately, because they have engaged in excessive proselytizing and lost, to some extent, the sense of balance in political and social matters.

Both have been trying to make the congress fall into their clutches and control the upper echelons of government.

Pablo Escobar will act more cautiously from now on in order not to create problems with his business partners, and Carlos Ledher is said to be ready to follow suit, if he comes out of hiding, in the event the president of the republic decides not to authorize his extradition, as has been rumored in apparently well-informed circles.

Obviously, the two alleged drug lords will have to act very cautiously from now on because revenue officials will continually observe their activities, and the investigative police, who have not allowed themselves to be lured by secret deals, will be on the lookout to detect any criminal activity on the part of those who have thus far kept legal authorities busy trying to put them in jail.

CSO: 3348/70

BRIEFS

FARC SUBVERSION PLAN--Police have discovered a vast plan conceived by the so-called Revolutionary Armed Forces of Colombia (FARC) to subvert public order by means of bank robberies, seizure of towns, and mass kidnappings of cattlemen and businessmen in southwestern Colombia. According to an authorized spokesman of the National Police General Directorate, important FARC documents on the escalation of subversion were seized in the course of prolonged clashes with the communist guerrillas in Narino Department. The most recent clash took place on Cienaga Road, Cascabel corregimiento, in Las Cruz Municipality, Narino, where a FARC column tried to ambush a National Police patrol conducting surveillance and control activities. [Eduardo Carrillo] [Text] [PA161912 Bogota EL SIGLO in Spanish 10 Nov 83 p 1]

POLICE INSPECTOR KILLED--Medellin, 7 Nov--The Fourth Front of the Revolutionary Armed Forces of Colombia, FARC, shot and killed police inspector Jose Orozco Villegas northeast of Antioquia. The 31-year-old inspector was shot by three men who arrived at the Puerto Colombia police station on the outskirts of the Zaragoza mining town. The attackers shot Orozco and took his 9-mm regulation revolver. [Text] [PA140216 Bogota EL TIEMPO in Spanish 9 Nov 83 p 4]

CSO: 3348/70

BRIEFS

STUDENTS IN USSR--About 9,000 young Cuban students in the USSR began their 1983-1984 school year studies with a solemn ceremony held in Moscow. The principal address was given by Angel Vega, of the Ministry of Superior Education, who emphasized that thousands of Cubans will be studying in the Soviet Union this school year and that they will be distributed among 11 Soviet republics. /Text/ /Havana GRANMA in Spanish 26 Sep 83 p 5/ 8143

NEW 3-PESO BILL--A new 3-peso bill with the portrait of Maj Ernesto Che Guevara will be put into circulation early in October, according to the National Bank of Cuba. The 3-peso bill will circulate nationally beginning next year; however, it was decided to have an initial symbolic issuance coinciding with the date of the death in battle of this heroic guerrilla. The 3-peso bill will have the same characteristics as the other bills circulating in the country as regards size and format. Its value will be stated in numbers and letters. The dominant color is red. The patriot's portrait on the face of the bill, as already stated, is that of Che, while on the reverse side there is a photo of him cutting sugarcane and a legend which reads: "Che--promoter of voluntary work." The issuance of this new 3-peso bill is representative of the work being done by the Bank to improve the structure of the country's monetary system to make it more flexible by reducing the number of 1-peso bills and thereby achieving substantial savings in currency printing costs. In 1984, when the introductory process involving the 3-peso bill and the 1-peso bill (which has already begun to circulate) has been completed, the annual savings will be more than 400,000 rubles. As GRANMA has been telling its readers, the 1-peso bill wears out quickly and its useful life is very short, an average of 18 months. However, its volume within the monetary system is very high--about 80 percent--although its worth represents less than 3 percent of the money in circulation. The 3-peso bill is a way of reducing the printing costs of the 1-peso bill. According to studies conducted by the Bank, a 1-peso bill is used more often in current monetary transactions than the other denominations. And it is precisely this fact that permits the savings on 1-peso bills. /Text/ /Havana GRANMA in Spanish 28 Sep 83 p 3/ 8143

NEW MILITARY SCHOOL--Ciego de Avila--Army Gen Raul Castro, second secretary of the Communist Party and minister of the armed forces, chaired a ceremony yesterday afternoon inaugurating the Camilo Cienfuegos Military School in this province, which was built north of the Ciego de Avila capital. Also in attendance were: Jose Ramon Fernandez, minister of education; Rafael Valdes, party first secretary in Ciego de Avila, who gave the closing speech; Asela de los Santos; Div Gen

Ramon Espinosa, commander of the Eastern Army; all the members of the Central Committee; and other armed forces leaders and officers. The ceremony coincided with the 17th anniversary of the establishment of the Camilo Cienfuegos Military Schools. Raul presented the banner of socialist emulation to the directorate of the Camilo Cienfuegos Military School in Holguin Province, National Vanguard for the past academic year, and the flag of the recently inaugurated school. During the ceremony, it was reported that the Camilo Cienfuegos Military Schools in Arroyo Naranjo and Sancti Spiritus were vanguards of their respective armies. Omar Goslin spoke on behalf of the students of the new school and Julian Valdivia represented the construction workers who had built the school. They described the effort involved to ensure that Ciego de Avila would have such a fine facility. There was a moment of great emotion when Rogelio Fiz, hero of the sugar harvest, gave Raul a check for 289,903 pesos to be added to the Territorial Militia Troops fund as a voluntary contribution from the people of Ciego de Avila. The Camilo Cienfuegos Military School was built at a cost of more than 2.5 million pesos and will accommodate 600 students who will enter the school after having passed the 9th grade and will leave at the preuniversity level. The school has 11 classroom, 3 laboratories, a kitchen-dining room, auditorium, library, offices, lounge, medical center, barbershop, dental dispensary, parade ground, outdoor and indoor gyms, baseball, volleyball and soccer fields, a 1,000-meter track, an olympic-size swimming pool. The school covers an area of 150,000 square meters. Young people will receive physical, political and military training in the school and acquire the knowledge required for them to enter officer training schools. /Excerpts/ /Havana GRANMA in Spanish 24 Sep 83 p 1/ 8143

CSO: 3248/132

GOVERNMENT REPORTS IMPORT-EXPORT FIGURES

FL170144 Bridgetown CANA in English 2034 GMT 16 Oct 83

[By Ellsworth Carter]

[Text] Roseau, Dominica, Oct 16, CANA--An improved export performance, especially in the banana sector, helped Dominica reduce its overall trade deficit to 9.4 million dollars (one E.C. dollar; 37 cents U.S.) during the second quarter of this year from 12.2 million dollars recorded for the January-March first quarter, the government has reported.

The Ministry of Finance, in its latest quarterly bulletin on overseas trade, said total exports in the period April-June were valued at 22.3 million dollars. Imports were valued at 31.7 million dollars.

Domestic exports, valued at 21.1 million dollars, were up 29.2 per cent compared with the 1982 second quarter, thanks mainly to a 29.7 per cent increase in banana exports, Dominica's principal foreign exchange earner. The value of re-exports was put at 1.8 million dollars.

Imports were also up 10.4 per cent during the 1983 second quarter compared with the corresponding period last year, with the United Kingdom, Japan, and the United States supplying 50.7 per cent of goods brought into the country.

The United Kingdom and sister Caribbean Community (CARICOM) member countries Jamaica, and Trinidad and Tobago absorbed 89.6 per cent of Dominica's total exports during the period under review.

The Ministry of Finance trade bulletin, prepared by its statistical division, said bananas, household and toilet soaps covered 74.2 per cent of Dominica's total domestic exports during April to June.

Apart from galvanised sheets, all of Dominica's other exports were agricultural or agriculture-based including citrus, dasheens and eddoes, bay oil and coconut oil.

Manufactured goods, food, machinery and transport equipment, and chemicals constituted the bulk of imports--21.3 million dollars. Imports of petroleum and petroleum products were valued at 3.1 million dollars.

The CARICOM market absorbed 54.3 per cent of Dominica's total domestic exports which was valued at 11.5 million dollars, constituting 28.5 per cent of total imports.

OFFICIAL EXPLAINS CHANGES IN EXPORT POLICY, INCENTIVES

Santo Domingo LISTIN DIARIO in Spanish 17 Oct 83 pp 1, 13

[Article by Octavio Mata Vargas]

[Text] Eduardo Tejera, director of the Dominican Center for Export Development [CEDOPEX], said yesterday that according to CEDOPEX projections, by the end of 1983 Dominican exports might reach a total of US\$ 848 million, an increase of almost 10 percent over 1982.

He said that in absolute terms this is an increase of US\$ 80 million. He stressed that he is not yet satisfied with this improvement.

He explained that this achievement was due primarily to increases in the exports of ferronickel, dore bullion and--for the first time--of gold and silver.

The executive director of CEDOPEX reviewed sales abroad by the Dominican Republic from 1981 to the present.

He said that in 1981, exports amounted to US\$ 1.189 billion but that in 1982, the country's total exports fell by 35 percent, a drop of more than US\$ 420 million in just 1 year.

Eduardo Tejera made these statements on the Aeromundo program which newspaperman Guillermo Gomez presents on Color Vision every Sunday from 11.30 to 12.30 hours.

Enlarging on the 1982 drop, the director of CEDOPEX said that 1982 was a very dramatic year from the point of view of exports and the national foreign trade sector.

He said that the 1983 performance, compared with that of 1982, is more or less the same.

For example, he said that between January and August 1983, there were US\$ 446 million in exports while in the same period in 1982 exports amounted to US\$ 420 million, a difference of US\$ 20 million which is an increase of just 4 percent.

Tejera said that this is due to international factors, a worldwide recession and a violent international crisis which is affecting all underdeveloped and developing countries, and also to certain domestic problems.

He spoke of exports of traditional products, which remain at the same level as in 1982.

Along this line he said it is estimated that US\$ 500 million worth of traditional export products will be exported this year which is similar to the 1982 exports.

The director of CEDOPEX stressed that there is therefore a need to reorient the policy on export development and incentives.

At this point he said that during the period from January to December 1983 the country's total exports may reach US\$ 848 million

The director of CEDOPEX said that the government is aware of the standstill in the export of nontraditional farm and industrial goods and has come to the conclusion that the export policy for those products must be reoriented.

He added that the only solution for the balance of payments and foreign trade sector problems is to increase national production and thus to also be able to greatly increase exports.

He said, "For this reason, since I became the director of CEDOPEX, with the approval of the president, we have made a series of far reaching reforms and changes in three basic areas."

-Reduction of the bureaucratic red tape and administrative problems and paperwork.

-Increase of exchange incentives and facilities for the exporters in order to make our products more competitive abroad.

-Administratively strengthening CEDOPEX as an institution so that it can support the export sector and manage better and more efficiently the application of Law 69 on incentives and development of exports.

Tejera said that these are the general lines of the changes that he wanted to make.

He said that last week at the first meeting of the CEDOPEX directors, over which Pres Salvador Jorge Blanco presided, very important steps were taken. The main one was the liberalization of the delivery of foreign exchange; that is, the exporter is allowed to keep all the foreign exchange received for unprocessed agricultural products which are exported.

He said that more than 86 agricultural products which are exported have benefitted from this special 100 percent incentive.

He explained that in 1982 nontraditional agricultural products worth about US\$ 26 million were exported. He said that through this powerful incentive, CEDOPEX believes exports for next year can be doubled or tripled.

Another substantial change in Law 69, first recommended by CEDOPEX and later approved by the Monetary Board, was the change in the granting of foreign exchange incentives.

He explained that previously the incentive was given to the exporters as reimbursements; that is, that the exporter had to turn in the foreign exchange to the Banco Central and the latter would reimburse him.

This procedure of reimbursement through the commercial bank generally took 2 to 3 months which caused the exporters financial expenses and administrative problems.

Tejera said that from now on the incentives go directly to the exporter; that is, when the exporter collects on his exports at the commercial bank, he retains the percentage due to him as incentive and pays the Banco Central the percentage due to it.

The director of CEDOPEX said that another change that was made was the reduction of requirements and of red tape at the Licensing Commission for obtaining an export license.

A total of nine requirements were eliminated which had made it very difficult to get an export license.

9204

CSO: 3248/128

ECONOMIST WARNS AGAINST INDISCRIMINATE USE OF INCENTIVES

Santo Domingo LISTIN DIARIO in Spanish 22 Oct 83 p 9A

/Text/ Economist Alfonso Abreu Collado has warned that the indiscriminate use of financial incentives may have contributed to the aggravation of the country's financial problems.

During a talk, which he gave in a personal capacity at the National Library, the deputy secretary of finance said that studies conducted in other countries (an evaluation has not yet been made here) demonstrate that "the increase in investment produced by financial incentives has not matched the amount of tax revenues lost by the treasury."

What is more, "the investments would have been made in any event, and the incentives only reduced the taxes of the enterprises benefited," according to a quote he cited from Hugo Gonzalez.

Abreu said, "Taking those conclusions into consideration and until we make our own evaluations, the organizations responsible for administering the granting of financial incentives should proceed with care, particularly as regards exemptions from the payment of income taxes because of reinvestment of profits, as provided by law 299, which deals with industrial incentives, and also law 153, which covers touristic incentives."

He added, "We must have a minimum assurance that the sectors benefited by these exemptions will contribute to the attainment of the basic objectives of financial policy, as regards improvements in the allocation of resources, income distribution and employment level."

"The attainment of a better allocation of resources can be jeopardized by the practice of generalizing incentives to all industrial sectors, in some cases with little or no development, causing as a consequence the birth and continued existence of highly inefficient industries whose operation depends upon exemptions being granted to them on a permanent basis, through successive renewals," Abreu said.

He went on to say, "By granting exemptions which discriminate in favor of the use of capital-intensive technological processes, we are harming the other two objectives of fiscal policy we have mentioned; thus, on the one hand, the incentives become ineffective weapons to combat the pressing problem of unemployment."

"On the other hand," he said, "we are aggravating the unequal distribution of income when we reduce what little graduation there is in the tax system by eliminating the obligation to pay taxes on income through investment in endeavors which do not translate into significant use of unemployed manpower. That is, the state stops collecting taxes on profits whose alternative use by the private sector would not appear to ensure greater social benefit," he added.

He emphasized, "These reflections lead us to propose a possible alternative, which has already been tried in several countries, namely replacing the incentives now being granted by exemptions and tax reductions with direct subsidies in the national budget for beneficiary enterprises. In this way, the state would be able to exert a more clear-cut influence on the situation by setting these subsidies on the basis of the contributions of each industry in terms, for example, of national value added."

In a related matter, the economist listed the principal characteristics of the tax apparatus which, in his opinion, have made it difficult to collect sufficient revenues:

--Excessive weight of taxes on foreign trade in tax revenues, with the disadvantages cited at the outset. This situation began to change last year.

--Retention of a tax on income of the schedule type rather than of an overall kind.

--Existence of special taxes on the consumption of certain goods (cigarettes, alcoholic beverages, etc.) of a specific kind and/or value-added.

--Lack until now of a general tax on consumption.

--Lack of property taxes. The license tag tax is more of a tax on vehicular traffic.

--Lack of a tax on part-time earnings or on capital.

He said, "The factors I have cited are the principal limitations of a structural character of our tax system. We also recognize the existence of other problems which are complicating the operation of the Tax Administration; however, we will not go into them to keep this talk from getting too long by dealing with an aspect of our tax system well known to those present."

8143

CSO: 3248/131

INSTITUTE RAISES PRICES FOR BASIC AGRICULTURAL PRODUCTS

Santo Domingo EL NACIONAL in Spanish 21 Oct 83 p 26

/Text/ The Price Stabilization Institute /INESPRE/ has doubled the support prices of corn, sorghum, red beans, black beans, potatoes and other basic consumer agricultural products.

Journalist Pedro Caro, director of the INESPRES Office of Communication, has emphasized that the current administration is working to help agricultural producers.

Caro said that in addition to good prices, INESPRES "is promoting production with the services being given to producers and the efficient payment policy it is implementing."

He recalled that on 16 August 1982, the new INESPRES authorities found the price of sorghum to be 7.80 pesos per quintal, which they raised to 8.30 pesos and recently to 9.25 pesos.

He said that the potato support price has been raised from 11 to 13 pesos per 50 kilos; corn initially from 8.75 to 9.25 pesos and then to 11 pesos per 100 pounds, red beans from 38 to 40 pesos per quintal and black beans from 26 to 28 pesos per quintal.

He added that last month INESPRES decided to intervene in the commercialization of soybeans to protect producers by setting the support price at 25 pesos per quintal.

He also noted that black beans were not attractive to producers "because from August 1980 to April 1981 only 2,380 quintals were bought and from August 1981 to April 1982 INESPRES bought only 7,722 quintals."

However, he recalled that the new authorities of the institute have sold 50,785 quintals of kidney beans.

He stressed that the increase in production and sale of black beans was principally due to the application of agricultural-livestock development policies, accompanied by a suitable publicity and promotion campaign which INESPRES is keeping active.

8143

CSO: 3248/131

PCN, AD FOLLOWERS DISILLUSIONED WITH PDC ALLIANCE

San Salvador DIARIO LATINO in Spanish 27 Oct 83 pp 3,14

/Text/ Deep uneasiness is evident among large segments of the population, principally among those who responded with sacrifice and risk to support their parties, such as the PCN /National Conciliation Party/ and the AD /Democratic Action/, during the elections of 1982, upon discovering that now they have totally coincided with the Christian Democrats.

This was the inference to be drawn from opinions expressed by numerous individuals who have been calling for several days to tell us that they cannot get over their surprise at seeing how the two parties first mentioned have ended up in an anxious alliance with a declared opponent, reminding themselves that it was precisely the leader of the AD who challenged Mr Duarte on television to rebut his communitarian position.

"Now it turns out that the country is imminently threatened by the pressure of three parties--PDC, PCN, and AD--who seek to impose an anti-economic and antiproduktive formula on the problem of land ownership," said the people who have called us.

The informants said that they feel an enormous frustration among people who voted for the PCN and the AD believing in the platform principles that they expounded during the campaign, positions that they have now abandoned in order to make common cause with those who put forward a totally opposite platform.

The citizens, who claimed to be awaiting the final events which undoubtedly will make history, said that "it is inexplicable how the PCN has had to wait for more than 20 years only to come to the last-minute discovery that their ideas and positions converge with those of their traditional adversary, the PDC. It is difficult to believe that that antagonism has only been apparent," they said.

Finally, it was said that "it can hardly be imagined that the PCN, wanting to dispute the attitudes of its ancestral adversary, the PDC, has settled upon a number of hectares that coincides with that demanded by the Christian Democrats, who are the sworn enemies of private property."

They indicated that the eyes of the people, principally the voters, are awaiting the final action concerning this matter which has great import in the destiny of the country and that for this reason the conduct of each party will be judged by history.

12372

CSO: 3248/126

SUPREME ELECTORAL TRIBUNAL SEEKS INPUT, DC RESPONDS

Suggestions for Electoral Laws

Guatemala City PRENSA LIBRE in Spanish 14 Oct 83 p 8

[Text] The Supreme Electoral Tribunal called on political organizations, ethnic groups and representative groups of the country to contribute with initiatives and suggestions to the formulation of a draft electoral law and to introduce reforms to the political laws in force.

With the registration of citizens, which will begin next month, said Mr Arturo Herbruger Asturias, there will begin the process of democratic outreach which up to now has been at the project stage, despite the passage of time since 23 March 1982.

Once the census process is under way, added the president of the TSE [Supreme Electoral Tribunal], this entity will be dedicated to the formulation of a draft electoral law that will serve exclusively for the elections of the National Constituent Assembly, and to the revision of political laws now in force, with the objective of introducing the most appropriate reforms for the process of democratic outreach.

It is in these aspects that we hope for initiatives and suggestions from the politicians, said Mr Herbruger.

With regard to the census, the president of the TSE indicated that the tribunal is of the opinion that it is the citizens who must affirm their sovereignty by presenting themselves at the tables that will be installed in the department capitals to register in the electoral lists.

That, he said finally, they will be able to do by means of the simple presentation of their respective identity cards, whose authenticity will be confirmed subsequently by routine procedures.

Proposal for Departmental, National Representatives

Guatemala City PRENSA LIBRE in Spanish 16 Oct 83 p 8

[Text] "In essence, we directors of the Christian Democrats will meet with the Supreme Electoral Tribunal magistrates in order to present them with a series of

ideas concerning various aspects of the coming electoral event," Mr Vinicio Cerezo Arevalo, secretary of the committee on party formation, said yesterday.

Mr Cerezo was interviewed in the Citizens Registry where he went to sign the document recognizing the provisional directorate of the Christian Democrat party.

"The points of view that we will present to the TSE [Supreme Electoral Tribunal]," he added, "refer to the census, to the modifications of the electoral party law reform and to try to facilitate the registration of the groups.

"Our desire," he said, "is to try to cooperate with the work that the tribunal wishes to carry forward, and thus to draft the electoral bill.

"The most important thing in our opinion, regarding the formation of the next National Assembly, is that there be deputies elected at the national level and deputies representative of the localities.

"That is," he explained, "that each party propose two lists for representatives in each municipality. One with candidates from the district, who will have the personal representation of the citizens. The other list will be proposed by each party at the national level, where candidates will be placed as technical experts.

"We consider that at the national level, the number of constituent deputies should be by percentage according to the results obtained in the final voting.

"In this way," he reiterated, "it will be possible to place technical experts who will offer excellent cooperation in the structuring of the new magna carta, and there will also be people who know the problematics of their localities and who also represent the people of the municipality.

"Also, we propose that the Constituent Assembly draft the new constitution, the constitutional laws, such as the electoral, that of habeas corpus, and the law of sanctuary."

12372

CSO: 3248/97

FINANCE MINISTER COMMENTS ON TAX REFORM

Guatemala City PRENSA LIBRE in Spanish 11 Oct 83 p 4

[Text] The current tax reform application in the country is "an outlet toward the future," declared the finance minister, Leonardo Figueroa Villate, adding that other countries of the region will take advantage of the system to achieve financial political changes in their tax structures.

He said that the first results cannot be seen immediately, necessitating the passage of a little time in order for the people to understand the reason for this reform, which is directed toward the populace itself.

Figueroa Villate said that there is certain to be economic improvement, and that the results of the application of the IVA (value-added tax) will shortly be made public, because at present adjustments are being made for the reduction from 10 to 7 percent, as it is currently.

He commented that this tax is described as dynamic, and that its growth, calculated to be three to four times greater, is of a totally positive character, while the stamp tax, now repealed, was never of clear benefit to the state, that is, it was always negative, he emphasized.

He insisted that control to avoid the high level of tax evasion will be strict and effective, an important aspect that will be achieved by the tax reform, because millions are lost by the treasury as a result of evasion by contributors.

12372

CSO: 3248/97

FINANCE MINISTER REPORTS ON TAX REVENUES

Guatemala City PRENSA LIBRE in Spanish 20 Oct 83 p 8

/Text/ As of 30 September, the treasury collected from various taxes a total of 451.6 million quetzals out of the 514.2 million quetzals that had been estimated, Finance Minister Leonardo Figueroa Villate has reported.

It was reported that accounts that led to this tax revenue were: IVA /Value Added Tax/, with 25 million of the 30.7 million quetzals that had been estimated; sales stamps, 99.2 million of the estimated 113.9 million quetzals; corporate income tax, 60.2 million of an estimated collection of 70.4 million; personal income tax, 3.8 million of an estimated 3.1 million; export rights, 31.7 million of an estimated 29.1 million; and other taxable income, 181 million of an estimated 281.7 million.

The difference was 5.7 million in IVA revenue and 7.7 million in sales stamps. Corporate taxes were 10.2 million higher, personal income tax rose 700,000 quetzals, export rights revenue also was higher by 2.6 million, and other taxable income revenue was 100 million lower, explained the government official in charge of finances.

It was explained that there has been a negative trend of some 10 percent lower revenue since 1980, but it is believed that the IVA will help to overcome this situation. Regarding the economic decline of July and August, it was noted that it was a normal thing and that there will be a positive reaction by the end of the year from commercial expectations and operations with the advent of traditional holidays.

The tax reform is intended precisely to correct this economic decline since it must be taken into account that needs are greater now because of the social deficit affecting education, health and other areas.

9925

CSO: 3248/115

AREAS OF CONFLICT TO RECEIVE FINANCIAL AID

Guatemala City PRENSA LIBRE in Spanish 23 Oct 83 p 3

/Text/ The National Reconstruction Committee is investing approximately 8 million quetzals on the construction of community works in different areas of the country to benefit over 200,000 families in such areas.

This has been announced by the director of that committee, Col German Grotwold Solares, who indicated that the works are being done in Huehuetenango, Quiche, Alta Verapaz and other regions.

Such works include construction of country roads, schools, health centers and other services. Most will be done in areas considered to be of conflict so as to be of preferential benefit to families affected by the violence.

Thirty-three schools also will be built through the food-for-work program. Part of the work will be paid for in cash and the remainder in food. According to Grotwold Solares, this sytem has generated much interest in rural communities. The authorities also are helping to reactivate farm work on all regions, he concluded.

9925

CSO: 3248/115

INCREASED RICE PRODUCTION INDICATES EXPORT POTENTIAL

Guatemala City DIARIO EL GRAFICO in Spanish 21 Oct 83 p 4

/Text/ Guatemala City, 20 Oct--The search for international markets for rice further strengthens production, generates jobs at the domestic level and will thereby make rice a nontraditional export product. However, this will be possible if producers assume that extremely important mission which will strengthen another national economy commodity, two Rice Producers Association members have revealed.

The two, Fernando Mendez and Dr Emilio Escamilla, expressed gratitude to officials of INDECA /National Institute of Agricultural Marketing/ and of the Agriculture Ministry for the support they have given thus far. But they believe that this policy should be maintained until a more effective productivity is gained and rice becomes a nontraditional export product.

The support received has meant that Guatemala this year has not had to import rice for domestic consumption and the country thereby has saved thousands of dollars in foreign exchange.

A total of 300,000 quintals were imported last year. Current local production reached 1.6 million quintals of unprocessed rice which after milling for consumption amounts to more or less 960,000 quintals, enough for local consumption.

A very important factor is that there are many small producers organized in cooperatives and production units are located in the country's north, in the north of El Peten and in the south.

In other words, the rice "boom" is generating jobs for many people and short-term prospects for marketing rice abroad are excellent.

It was indicated that the Rice Producers Association, which is part of the Guatemalan Farmers Association (AGA), is a relatively new and very dynamic organization. Therefore, it can perform an important economic function in this country if given a greater incentive by the authorities.

9925

CSO: 3248/115

BRIEFS

GUATEXPRO DISSOLVED--As of next 1 November, the Guatemalan Export Center [GUATEXPRO] will become a component of the Economy Ministry, attached to the Domestic and Foreign Trade Office. GUATEXPRO had functioned for several years as an autonomous entity, although one closely tied to the Economy Ministry. Directed by Mr Ronaldo Porta Espana, its function had been to promote the export of Guatemalan products and to open new markets for them. One of GUATEXPRO's last tasks was to achieve the export of nontraditional products as a means of resolving the country's serious balance of payments problems. The government's decision totally abolishes GUATEXPRO as an independent organ and it is converted into a mere dependency of the Economy Ministry. During the regime of deposed Gen Jose Efraim Rios Montt it had already been mentioned that GUATEXPRO would be abolished because it did not fulfill its functions. During this same regime the abolishment of other organs was also mentioned, but these actions were interrupted by the coup. Up to now, for example, it has not been clearly established what is the situation of the National Emergency Committee, CONE, which ought to be integrated with a single Civil Defense organ. [Text] [Guatemala City DIARIO EL GRAFICO in Spanish 16 Oct 83 p 2] 12372

CSO: 3248/97

NEED FOR PARTY UNITY STRESSED

San Pedro Sula LA PRENSA in Spanish 11 Oct 83 p 7

/Editorial: "Unity of the Parties"/

/Text/ The National Party /PN/, which has been going through one of the most serious crises in its history during the past 2 years, recently announced, through its leaders, that it had reached a firm agreement on unity between its two main factions and that as of now it will remain united in order to fight against the Liberal Party /PL/, which is now in power.

Some skeptics think that this unity is hardly even an armistice and that at any moment conflicts will spring up once again, especially when the time draws near to choose the party candidate for the presidency.

In accordance with its internal regulations the National Party will hold new elections within the organization at some time prior to 1985, the same year in which the people will go to the polls to elect the successor to President Suazo Cordova. However, some party leaders have let it be known that, should it be convenient to the interests of the National Party, such internal elections could be held before 1985, in order to satisfy the demands of rank and file party members.

The truth--a little awkward but no less definite--is that many of us nationalists do not dare to say that the majority of us--for in this country there are no polls or reliable statistics--that many nationalists, as we were saying, would be happy to see both citizen Ricardo Zuniga and citizen Mario Rivera, his principal opponent, retire from the political scene and give way to other figures.

On the other hand, within the Liberal Party there is a great desire for the same leaders to continue in their present positions as in the past, since there is a general view within the party that as long as the old National Party leadership continues to control the PN, future electoral victories are certain.

However, there also are serious problems within the PL /Liberal Party/. Men of the stature of Orlando Gomez and Jose Azcona (intelligent, honest, and good fighters) have been expelled from their positions and, in the case of the former, have even been thrown out of the party.

Other party members, not as prominent but holding well-known views, have been driven onto the sidelines, suspended from their leadership roles and politically harrassed. In the case of a deputy for Comayagua, his daughter was fired from a job she had in the elections office, and scholarships that had been awarded to two of his other children were cancelled.

Several friends of those who were driven out of leadership positions, who were working in the government, have been dismissed without any apparent reason. And the resulting feelings of resentment have not been long in appearing.

Nevertheless, a few days ago Deputy Romualdo Bueso, the new president of the Central Executive Council of the Liberal Party, told journalists that the PL would look for a reconciliation with the party dissidents in order to consolidate party unity and face up to the attacks which, if they are made with renewed gusto, could make the PL look like the PN after its factions have been reconciled.

If this effort is supported by tangible actions, not only would the liberals benefit but so would the Honduran people in general, since we are going through a period when divisions within our country can no longer be tolerated.

Communism at the present time is not something far away in Russia, Vietnam, or Angola. It is a threatening reality on the other side of the border, and its spokesmen have already said that they can invade Honduras at any time.

Let us unite, then, both in the PN as in the PL and in civic, professional, and other institutions of all kinds in the country. And let us do it today. Tomorrow may be too late.

5170

CSO: 3248/101

HONDURAN GROUP OPPOSES RELOCATION OF SALVADORAN REFUGEES

San Pedro Sula EL TIEMPO in Spanish 8 Oct 83 p 15

/Article: "'FECORAH' Opposed to Bringing Salvadoran Refugees to Aguan Valley"

/Text/ The Federation of Honduran Agrarian Reform Cooperatives (FECORAH) is opposed to the relocation of 15,000 Salvadoran refugees in the Aguan Valley, Colon Department, Nelly Ramirez Cruz, vice president of the organization, said yesterday /7 October/.

The cooperative leader made this statement in referring to a report from a Tegucigalpa newspaper that 15,000 refugees from El Salvador would be relocated in the Aguan Valley, at the request of the United States High Commissioner for Refugees (UNHCR).

She said that the farmers of the Aguan area are "very worried because they think that among the refugees there are criminals who might make trouble in the area."

Nevertheless, she stated that the central government and the international organizations concerned with help to the refugees must find a way to resolve the problems which the refugees are encountering. "However, not by relocating them in areas where there are development projects under way, such as in Bajo Aguan."

According to Ramirez Cruz, the Aguan Valley area is not the most appropriate region to relocate the refugees, "since the land has been turned over to the different cooperatives, and if they come with the intention of working the land, they are going to have problems."

She emphasized: "The Agrarian Reform Law provides that to be a beneficiary of its provisions, you have to be a Honduran by birth, and it bothers us that in the future we are going to have problems with these people."

The cooperative leader insisted that if the intention of the government "is to make these people produce, it should move them to the La Mosquitia area or other regions where there are no development projects."

5170

CSO: 3248/101

LIVE BIRTH, DEATH, MARRIAGE STATISTICS FOR 1981-1982

Pointe-e-Pitre INFORMATION CARAIBE in French 16 Oct 83 p 5

[Text]

DEMOGRAPHY: MARTINIQUE (Source: National
Institute of Statistics and Economic
Research)

Population for 1 January 1982
estimated at 326,428
for 1 January 1983
326,607

	<u>1981</u>	<u>1982</u>	
Live births	5,406	5,376	
including illegitimate births (1)	3,219 (59.5%)	3,014 (56%)	(1) The so-called "illegitimate" births are decreasing as marriages increase.
Deaths (2)	2,041	2,113	(2) Deaths are increasing slightly as the population gets older.
including children less than 1 year old.	68	70	
Natural Increase (3)	3,365	3,263	
Marriages (1)	1,199	1,303	

(3) This natural increase is almost completely absorbed by the migratory movement.

CSO: 3219/5

MARTINEZ CORBALA ACKNOWLEDGES WAR THREAT TO NATION

Mexico City EXCELSIOR in Spanish 6 Oct 83 p 33-A

[Article by Aurelio Ramos M.]

[Excerpt] The situation in Central America is rapidly deteriorating and has already reached such a dangerous level that it could easily get out of control. Should the armed conflict in the region become general, Gonzalo Martinez Corbala, speaking in the Senate, warned yesterday, Mexico would face serious internal dangers.

And Senator Hugo B. Margain, likewise speaking in the Senate, maintained that "it is misleading" to portray the convulsions in the isthmus as due to the East-West conflict. The struggle in the countries in the area is internal, directed against the obligarchies, he argued.

Martinez Corbala spoke of terrorist threats against Mexico; of the reactivation of CONDECA [Central American Defense Council]; of the U.S. intention to invoke the Inter-American Reciprocal Assistance Treaty; and of the shooting down by Sandinist forces of a U.S. plane transporting arms; and he predicted that all this indicates the situation in Central America could easily become general and generate an armed conflict the scope and consequences of which would be difficult to foresee.

He reiterated the Mexican position on the regional crisis and pointed out that Mexico's interest in analyzing the situation deeply "is just a strictly national interest, even when the question has to do with an international conflict."

"Because the expansion of armed conflict to all of Central America and ultimately to Guatemala, our southern neighbor, would imply internal dangers of incalculable seriousness for our country," he explained.

12336

CSO: 3248/137

GOVERNMENT 'WILL' IN TREATMENT OF REFUGEES FAULTED

Mexico City UNOMASUNO in Spanish 7 Oct 83 p 13

[Political Advertisement: "The Serious Situation of Guatemalan Refugees in Mexico;" issued by Mexican Committee of Solidarity With the Guatemalan People, Mexico City, 4 October]

[Text] It is almost 3 years since the massive flight of thousands of Guatemalans to Mexico began; in their majority, Indians living in the countryside, they seek refuge here to escape from the cruel large-scale killings carried out by their country's military dictatorship. The tremendous suffering experienced during the flight through jungles and over mountains under constant harassment by the army was assuaged upon reaching Mexican soil.

During all this time, refugees have continued to come here and, despite constant calls by humanitarian organizations on the grounds of solidarity for the establishment of a system of aid that would afford them at least basic living conditions, the refugees' situation has continued to get worse until, at present, it constitutes an enormous group drama. Thousands of families live permanently on the brink of starvation, see their children die from various illnesses, live in insecurity and are subjected to all sorts of ill-treatment and extortion.

The situation has reached such an extreme that, at present, in southeast Mexico, thousands of Guatemalan and Salvadoran women are obliged to prostitute themselves as a result of blackmail by persons who threaten to denounce them to the immigration authorities so that the latter will deport them. In this way, through the legal insecurity, abandonment, degradation and suffering of these thousands of refugees, a large-scale system of exploitation, concentrated chiefly in the cities of Salina Cruz, Puerto Madero and Tapachula, has been established.

The Mexican government has often said that its policy toward the refugees is to guarantee their rights, provide them humanitarian treatment and not carry out deportation. Nevertheless, the facts show that there is a discrepancy between these statements and the attitudes of authorities and official institutions concerned with this problem. The immigration authorities and those of the Mexican Commission for Aid to Refugees (COMAR),

instead of approaching the problem from a social, political and humanitarian standpoint, as has been the country's traditional policy in such matters, appear to have opted in favor of a punitive and repressive solution. In COMAR's case, it is highly incongruous that an agency formed, as its name indicates, to help refugees, should show itself inclined in the first place to repressive measures and police controls, neglecting its aid functions; the aid sent by COMAR to the refugee camps, which is provided by the United Nations High Commission for Refugees (UNHCR) pursuant to an agreement with the Mexican government, has dwindled in the last 2 months almost to nothing.

In spite of the deceitful claims made by the xenophobic Right regarding the alleged "economic burden" that the refugees pose for the country, the truth is that the aid provided up to the present has not been--nor would be--a burden on Mexico, since UNHCR has sufficient resources and, in addition, other national and international organizations have expressed their willingness to send all kinds of material aid.

What is lacking on the Mexican government's part, then, is political will and a more decisive attitude in dealing with this problem and in overcoming the pressure, threats and blackmail of the United States and its ally, the military dictatorship of Guatemala; the latter continues to send armed groups to violate Mexican borders and kidnap and kill refugees, adopting an obviously provocative attitude that seeks to bring about the militarization of our borders in order to extend the area of the conflict in Central America and weaken and undermine the Mexican government's efforts to achieve a political, rather than a military, solution to that conflict.

We call upon the Mexican government to act consistently with the refugee policy that it has publicly enunciated. A first necessary step would be to recognize the refugees as such legally, rather than to keep them in a provisional legal status that is inappropriate to their true character and lends itself to all kinds of abuses and violations of human rights. Recognizing them as refugees would also provide the legal and social bases for the establishment of a system of effective aid that would enable a considerable part of the Guatemalan people to claim their right to life.

12336

CSO: 3248/137

PSUM HISTORIAN TRACES IDEOLOGICAL TERMINOLOGY

Mexico City PROCESO in Spanish 26 Sep 83 pp 31-32

[Article by Enrique Semo: 'Analysis' Commentary: "Ghosts in the PSUM"]

[Text] Somewhere Marx says that when people create their own history, the tradition of the dead hangs over the minds of the living like a nightmare, and when the living are ready to make a revolution within themselves and to revolutionize things, to create something never seen before, that is when timid and fearful people call on the spirits of the past for help, use their names, their slogans, and their style. That is exactly what happened at the II Congress of the PSUM [Unified Socialist Party of Mexico]. "Dinosaurs" and "renos" who had been in hibernation for 2 years emerged from their caves to cast their shadows over this much discussed event. The outcome would not merit our attention--for after all, the spirits do have some rights--if someone had not tried to make the ghosts pass for the living and the living pass for ghosts.

One of the PSUM's principal contributions to the left is that within this group there is an attempt to build a democratic party, in which diverse ideologies and political beliefs may be freely expressed. Unity in pluralism. But just when a step is taken in that direction, someone claims there has been bad faith with the horrors of the past. At the II Congress of the PSUM, alignments were made--which may be lasting or may not--with regard to the political tactics of that party. But there are some people who want to make us believe that that did not happen. That what really happened was a second edition of the XIX Congress of the PCM [Mexican Communist Party] expanded and corrected by the presence of new forces. The serious part of this ill-advised attempt is that it distracts us from a real discussion of the present--the political tactics which the left should follow in dealing with the crisis and the

present government--and forces us to dwell on problems from the past.

Let's start with a ghost story about "dinosaurs" (dinos) and "renovators" (renos). The nickname "dinosaur" began to be used a great deal in 1980 to designate a position within the left. If I am not mistaken, it appeared for the first time in the June issue of the review EL MACHETE to describe someone who was attacking the PCM for being "Eurocommunist." In issue number 4 of that same review, Rodolfo Echeverria sardonically proposed a competition for "neodinosaurus" who could be described as Stalinists, dogmatics, doctrinaires, pro-Soviets, schematics, backward, etc. Then, 3 months later, the editors of that journal identified the "dinosaurs" as those who "in the left still maintain conservative and orthodox positions." On 20 November of that same year, 15 comrades from the Central Committee of the PCM signed a document whose heading was "For the Renovation of the PCM." Because of that, they became known as "renovators" (renos).

At the XIX Congress of the PCM held in March 1981, these names, which had been imprecise ever since they were first used, took on a new connotation, which was still very confused. All those who supported the position of the Political Commission (the majority) were called "dinosaurs" (dinos), while those who sympathized with the dissidents (the minority) were known as "renos." Both blocs were quite heterogeneous. The large group of non-aligned delegates (a fourth of the total) did not receive any such designation from the commentators, who tended to view everything in terms of black or white.

As for the "renos," they remained in the minority, but were not expelled from the party and continued to be a part of the PCM until its dissolution in November 1981. Nonetheless, they were the targets of an ongoing campaign to discredit them, led by some sectors of the majority who began to use the nickname of "reno" to threaten any dissidence. In February 1981 the book "Por la Renovacion del Partido Comunista Mexicano" was published. This book contained the manifesto of 20 November and some articles by renovators. In reading these and other documents, we find that the "renos" were an ideologically heterogeneous movement, united around the following positions.

1. Democratic socialism. Socialism is not just ownership of the means of production, but also the socialization of political power. The situation in so-called socialist countries now existing was criticized, based on the idea that there can be no socialism without democracy.

2. Ideologically pluralistic party. Until then, the PCM had been an ideologically monolithic party. It was proposed to open the PCM up to the various movements within marxism as well as to revolutionary nationalism and to Christian socialism.

3. Democratic party with freedom for different movements. "The renovation of the party," stated the manifesto, "is only possible in conditions of an advanced internal democracy, which includes: the right to information, freedom of communication among all party organs; the effective participation of all members in the preparation and application of the party line; respect for different opinions which do not damage party unity," etc. "Within the party there may be differences of opinion and of style. But these can not be overlooked and covered up by reconciliation. On the contrary, they should be allowed to develop into clearly defined concepts and opinions."

4. A party oriented not toward the emerging middle classes, but toward the working class. In another part of this book it states: "The working character of our parties should not be focussed dogmatically... To solve a problem, we can not start from a model valid for all times and all places, but from a specific national context... The problem is whether the Mexican democratic movement will remain for a long time what it is today. We maintain that this will not be the case. In the years to come, as the working class becomes consolidated and the remnants of the national struggle against the residues of the old society and imperialism fade away, the working class will come to occupy a more definite political position, and will become the primary opponent of the bourgeoisie."

5. A party of popular action and not just of opinion. As it moves into government bodies (the chambers) and into public opinion, the party should not allow itself to be diverted from everyday and local demands of the popular movement, but it must continue to be transformed and become an organic synthesis of specific popular movements.

As long as the PCM continued to exist, the "renos" remained a part of it. But once the party had disappeared, the movement of the renovators, which had arisen belatedly during the final year of the PCM's life, dissolved. Since then there has been no separate ideological or political expression, nor has such a bloc been created on a national level. Some of their ideas which could not win acceptance within the PCM are now finding favor in the PSUM. Others are the heritage of the left, and a topic for future discussion.

Even during the final months of the PCM's existence, the "renos" agreed with the majority of the "dinos" on a fundamental problem: the party's merger. At the I Congress of the PSUM, the vast majority of the "renos" and "dinos" joined together in the discussions and decisions on the preparation and approval of the basic documents for the new party.

The names, nicknames, and epithets only served to downgrade the level of political discussion, because they are not used to designate precise phenomena, but rather to praise or denigrate; because they conceal the clash of ideas and cover the participants under pejorative terms which, instead of explaining, only confuse.

The "dinosaurs" and "renos" who attended the II Congress of the PSUM are the ghosts of those who died--a natural death--after the XX Congress of the PCM. Of these people, there remain only scars in the minds of some former members of the PCM. During the votes on documents at the II Congress, at no time did all the former "dinos" or former "renos" vote in distinct and opposing blocs. The alignments brought together former members of the PCM in diverse combinations.

Politically, the II Congress of the PSUM was the final step in the liquidation of the ghosts of "dinos" and "renos" and the consolidation of new agreements and differences. But some resentful people still insist desperately on returning to the past.

Now we should turn to what really matters: the political line of the PSUM. I don't know how they are going to participate. I will do so not as a "dinosaur" or as a "reno," but as a member of the PSUM who--freed from the ghosts of the past--is not afraid of agreeing and/or disagreeing with all our comrades, no matter what their origin: PCM, PPM, MAP [expansions unknown], MAUS [Socialist Action and Unity Movement], or PMT [Mexican Workers Party], as well as with the growing number of new PSUM recruits who are free from the taint of any original sin.

7679

CSO: 3248/117

BRIEFS

DEPORTATION OF UNDOCUMENTED CENTRAL AMERICANS--Ciudad Juarez, 20 Sep. Immigration agents arrested 13 Central Americans who were attempting to enter the United States illegally after a stay in Mexico without official permission. The head of immigration affairs of the department of government, Ignacio Martinez Aguayo, said that among those arrested there are citizens of Honduras, El Salvador, Panama, and Belize. He added that within a few days the persons arrested will be sent to Mexico City and will then be deported to their country of origin. He explained that in recent weeks vigilance at the railway station has been increased, as this is a frequently used point of arrival by undocumented Central Americans, who come to Mexico City before entering the United States. [By Manuel Cabrera] [Text] [Mexico City EXCELSIOR in Spanish 21 Sep 83 p 6-D] 7679

CONACYT GRANT FOR TECHNICAL PROJECTS--The National Council for Science and Technology [CONACYT] will give the Autonomous University of Puebla [UAP] 7,339 million pesos for five research projects that will contribute to the achievement of self-sufficiency in the area of electronics and to the decentralization of scientific and technological research. This was revealed yesterday when the relevant agreement was signed by Franklin Rendon, assistant director for technological development at CONACYT, and Alfonso Velez Pliego, rector of UAP. Rendon explained that the country needs to strengthen itself in strategic areas in which it has fallen behind, as is the case with raw material substitutes. [Text] [Mexico City EXCELSIOR in Spanish 6 Oct 83 p 10-D] 12336

TEXTBOOKS TRANSLATED INTO MAYAN--Antonio Ruiz Rosas, director general of the educational services unit of the (Quintana Roo) Department of Public Education, has said that, in order to preserve the native culture, the free textbooks provided by the department are translated into Mayan. He added that, in the Mayan region, the alternate use of the Mayan and Spanish languages will be fostered in order to avoid the alienation of the natives from their traditions. [Text] [Mexico City EXCELSIOR in Spanish 9 Oct 83 p 32-A] 12336

VELAZQUEZ: CROC ALLIANCE WITH PSUM--The secretary general of the CTM [Confederation of Mexican Workers], Fidel Velazquez, said that the wage demand which had been set at a ceiling of 27 percent may be increased in the contract revisions, since the downturn of the peso has had a negative impact on the people, as it has served as a pretext for price increases. After a meeting of the CTM leaders to define a new labor policy and policy of affiliation with the PRI [Institutional Revolutionary Party], Fidel Velazquez accused the CROC [Revolutionary Confederation of Workers and Peasants] of allying itself with the PPS [Popular Socialist Party] and the PSUM [Unified Socialist Party of Mexico], which weakens the workers movement organized in the Labor Congress, since both parties have used that confederation for their own advantage. During the meeting the CTM leaders said they do not want to be used by the PRI, and they want to point out the mistakes of the PRI, because the CTM is concerned not only about the workers movement but also about the future of the nation. It was also stated that the CTM "receives its party line from no one else, nor does it blindly follow the PRI." In closing, the CTM leader regretted that the statutes of the Labor Congress do not take into account positions such as that taken by the CROC, despite the fact that the leading organization of the labor sector has as a goal to avoid clashes between labor groups. What the CROC is doing, he said, disrupts unity within the CT [Labor Congress]. Democracy is not restricted within the organized labor movement, he pointed out, but if democracy is used to divide the CT, that is no longer democracy. [By Mario Alberto Reyes] [Excerpts] [Mexico City UNOMASUNO in Spanish 1 Oct 83 p 2] 7679

CSO: 3248/117

HISTORY OF CHURCH SINCE 1979 SANDINIST REVOLUTION

Mexico City LE MONDE DIPLOMATIQUE in Spanish Sep 83 pp 6-7

[Article by Enrique Dussel; passages enclosed in slantlines printed in bold-face]

[Text] "Tomorrow, my son, everything will be different. Anguish will leave by the back door, which will be closed forever by the hands of the new men."
--Edwian Castro, died in jail.

To describe the events that happened in Nicaragua after the revolution, it would be necessary to begin at least at the dawning of the 1960s. In 1961, what was to be known as the Sandinist National Liberation Front (FSLN) was being founded; in 1959 the Cuban revolution triumphed; that same year, Pope John XXIII convened the Vatican Council II, which marked the beginning of a profound revamping of the Catholic Church, the Latin American Church in particular.

Aside from Catholic Action, the urban mission of 1960, Worker Youth, the Catholic Radio and University, the weekly EL OBSERVADOR edited by Messrs Borge and Castrillo, many efforts here and there indicated a certain renovation. On 24 January 1968, political messages in sermons were forbidden, as seven priests had issued a letter a month and a half earlier (in time the Somoza regime would call them "the seven brothers of Marx"). At the same time, on 28 January, MOSAN [expansion unknown], a worker movement founded in 1962 by former members of the Catholic Worker Youth (JOC), identified itself more clearly with the revolution. On 4 February another communication appeared, from eight young priests, expressing their loss of faith in their commitment. On 7 April the PAC [expansion unknown] was already saying that "the Christian message means for the poor good news of liberation." And on the 24th of the same month Father Edgard Zuniga, from the pulpit of the cathedral, urged change in the system. On 14 July the release of the "working document" of the Medellin Conference caused a great stir. On 7 September, the results of that conference began to come to light. Along these lines, on 19 November Father Uriel Molina attacked electoral fraud, explaining the relationship between "Faith and Politics."

All these events, and many more—which should be covered thoroughly in order to understand the positions that would burst forth after the victory of 19

July—came to a head in the First Pastoral Week (from 20 January to 1 February 1969, in two successive groups), organized by Monsignor J. Barni and Father Pablo Vega. It was evident that the Church was becoming increasingly mobilized toward a renovation. One by one the events followed, until the earthquake of 1972. That was when the tide began to turn against Somoza, slowly but inexorably. In 1973 the Church began to break away from the regime, until 13 June 1976, when 32 Capuchin priests of American origin denounced the repression of peasants in Matagalpa, Jinotega and Zelaya. A good number of Promoters of the Faith were captured and murdered. On 8 January 1977, the Episcopacy expressed its opinions in "Renewing Christian Hope," in which it openly attacked the Somoza government. The government's reaction was not long in coming, nor did many citizens wait long to show their support for the bishops who had spoken out.

This was the state of affairs on 18 October 1977, when the FSLN launched its attack in the insurrection at San Carlos, in which the community of Solentiname participated. Then came the emergence of "The Twelve," the interventions by the bishops, the unification of the bourgeoisie against Somoza, and the businessmen's strike of 22 January 1978 following the murder of Pedro J. Chamorro on 10 January. The Church became fully involved in the process. By the end of 1978, Monsignor Obando y Bravo was saying that it was possible, in cases of extreme need, to use arms, in a clear reference to the Thomist Doctrine. On 2 June 1979, when the war was about over, the moral and juridical legitimacy of the Sandinist popular insurrection was unanimously accepted among all members of the Church. The divisions would appear later.

On 18 July, Father Uriel Molina tells us, he met many Christians from his parish once again:

"Four fronts advanced gloriously . . . How great was my surprise and satisfaction at seeing Donald Mendoza. We both cried: 'I had to bury Ricardo in Piedra Quemada' . . . Suddenly I froze. A youth shouted from a Volkswagen: 'There is Father Uriel!' It was Roberto Gutierrez, who with Emilio Baltodano, Oswaldo Lacayo and Joaquin Cuadra were marching on Managua. . . We embraced: 'We left death behind there (in Masaya). . . We have come here to find life.' It was an immense shout of triumph."

1. From FSLN Victory to Communique on Religion (19 July 1979 to 7 October 1980)

The most recent stage in the history of the Church in Nicaragua has some phases. We would like to discuss the first of those phases, that of the clarification of positions and, moreover, the appearance of previous options.

Within a month of the triumph, the Nicaraguan Confederation of Catholic Priests (CONFER) issued this statement:

"Everyone is well aware of the choice made by the most conscientious Christians in recent years, to support the liberation of the poor. We have joined the process that led to victory, at great risk to our lives. It was not easy for many Christians to opt to bear arms . . . God has passed through Nicaragua with a powerful, liberating arm."

The rector of the Catholic University affirmed his solidarity with the revolution:

"The Church should maintain its commitment to the revolution," declared Father Amado Lopez, recalling the figure of "Gaspar Garcia Laviana, who died in combat in the southern zone."

Even the Grassroots Communities, clearly adhering to the theory of liberation, expressed a similar opinion:

"We have begun our exodus to the Promised Land. We have already left behind Egypt, with its exploitative and unjust system, with its sins and crimes. We have ceased to be the poor people who enriched the Pharaoh with their labor, their sacrifice and their humility."

Afterwards they would learn that the road through the desert is not a quick one, and that the "Promised Land" is not right next door to Egypt.

Soon afterwards the seminar on "Christian Faith and the Sandinist Revolution," from 24 to 28 September 1979, marked a milestone in the clarification of the process, in that it helped "the Christians of Nicaragua to learn how to manifest their Christian faith and experience through participation in the revolution." The demonstrations of support and dedicated labor for the revolution do not end here. For example, the Dominicans indicated that "3 months after the victory of the people, . . . we have met to reflect on the revolutionary process, trying to hear the word of liberation that God is sending us We recall the testimony of our elders: Valdivieso, Las Casas, Montesinos . . . we ask the people of Nicaragua to accept and further our goal of continuing to strive for the consolidation of this revolution." All this culminated in the Festival of the Virgin Mary on 8 December, when the FSLN began to outline its position on religion among the Nicaraguan people. The Front participated in the festival, and Cmdr Borge stated: "As long as there is Sandinism, there will be a Festival of the Virgin Mary in Nicaragua."

A revolution that radically challenges the capitalist system, as the Sandinist revolution has, could not but provoke an increasing resistance on the part of the country's weak bourgeoisie. Along with the bourgeoisie—and oligarchy—many Christians allowed themselves to be swayed by class considerations. Very soon the "religious space" began to be the /locus/ of a struggle of political, economic and ideological interests. This would be seen more clearly after Robelo's resignation from the Junta in May 1980 and the intervention of certain Latin American ecclesiastical groups that became increasingly aware of Nicaragua's importance.

On 31 July 1979, the Nicaraguan Episcopacy, saluting the "new era" that was beginning, said that "we cannot help but share the anguish and fear that people feel during this time of transition. We understand that there is serious confusion, both in ideological terms and in the organization of the new structures of the state." That was conditional support. A few days later Archbishop Obando declared that "I have not lost hope that the revolution will seek what is good and just," a statement which indicated there might be reasons to lose such hope.

However, all this was wiped away by what was perhaps the clearest document ever issued by any Latin American Episcopacy in history: "Christian Commitment to a New Nicaragua," of 17 November:

"The eyes of Latin America are on Nicaragua. So are the eyes of the Latin American Church. Our revolution is taking place at a time when the Catholic Church, through the experiences of the Vatican Council II, of Medellin and of Puebla, has become aware that the cause of the poor is its own cause."

But it is not denied that this importance is due to the fact that a much more radical revolution was carried out, not just a reform movement:

"Sometimes one hears anxious and fearful comments that the present process in Nicaragua is moving toward socialism. . . . We could (not) accept a socialism that overstepped its bounds and tried to wrest from man his right to have religious influence in his life If, on the other hand, socialism means . . . the preeminence of the interests of the majority of Nicaraguans, . . . a social plan that guarantees the use of the country's goods and resources for the common good . . . a steady decline of injustices . . if it means giving the worker a share of the products of his labor . . . nothing in Christianity implies any contradiction of that plan. . . ."

At one point it recalls:

"The gesture of love for the poor and the oppressed is a gesture of love for the Lord Himself (Matthew 25, 31-46)."

This episcopal statement authorized Christians to work decisively for the revolution. Thus it was that those who had already joined the FSLN from the early 1970s were now joined by those who had fought in the war against Somoza and who were now beginning to join the Sandinists as a mass movement, organizing the reconstruction of the country and boosting production--and very soon afterwards, defense as well. There were clear indications of the Sandinists' compassion, and the Somozaist prisoners were treated leniently; most of them were released within a few months.

This was how the National Literacy Crusade was launched. Father Fernando Cardenal, SJ, was one of the top authorities; the method advocated by Paulo Freire in the "Pedagogy of the Oppressed" is the preferred one; even Salesian Mario Peresson (from Colombia) collaborated on its application at an international meeting. Christians flocked to the aid of the program, although the bourgeoisie had its doubts. Thus, in evaluating the action, the Nicaraguan Confederation of Priests (CONFER), in its document "The New Face of Christ in the Literacy Crusade" (the product of a seminar attended by Cmdr Carlos Nunez, Education Minister Carlos Tunnermann, and Vatican Delegate Pietro Sambi) stated that the effort was extremely beneficial, in the first days of the reconstruction:

"This Crusade has been Christian, revolutionary and Sandinist, given the commitment the thousands of brigade members have made to workers and peasants," indicated the minister. The commander explained: "The revolution

has from the very beginning had strong ties with the responsible Christians of Nicaragua and the Americas, as well as other religious groups."

On 8 May 1980, a seminar of bishops from various Latin American countries began in Managua for the purpose of studying the Final Document of Puebla. Thus, the Latin American Bishops Conference (CELAM) made an appearance in Nicaragua with a wide-ranging pastoral plan which immediately aroused some suspicions in Christian circles and the revolutionary government. There were theological seminars to reflect on Puebla (beginning in August 1980), pastoral meetings, the distribution of Nacar-Colugna Bibles (a translation that had been made more than 30 years earlier), the resumption of the seminar, the establishment of a bookstore with "an expert in library science with experience acquired at the Catholic bookstore of the Archbishopric of Medellin." Up to a half million dollars was provided for these activities by a well-known American foundation.

In the government, meanwhile, the presence of Maryknoll priest Miguel D'Escoto as minister of foreign relations, and Father Ernesto Cardenal as minister of culture, indicated the participation of Christians in the revolutionary structures, which bothered certain members of the classes that were gradually being pushed out of power, a power they had exercised in the past:

"The Literacy Campaign, which was not just a literacy campaign but also a political and ideological one, was entrusted to a priest, my brother Fernando. And now the training of youths in the Sandinist Youth has been entrusted to him as well. And in economic planning, where the entire economic future of the country is planned, another priest is involved (Xavier Gorostiaga). The Ministry of Education has been entrusted to a militant Christian layman, as have the Housing Ministry and the Social Welfare Ministry. All this indicates the confidence this revolution has in Christians."

Alvaro Arguello soon represented the clergy on the Council of State, having been elected by the Nicaraguan Association of the Clergy (ACLEN) on 28 April 1980. On 13 May, the bishops defined their position on the "participation of priests in partisan politics and public office," to which the priests responded by initiating a dialogue with the bishops, because, as they said, "we are reaffirming our profound union with the Church whose servants we are." Ernesto explained:

"This is a revolution that was carried out for the benefit of the people, and it is serving the people. By serving the revolution, we are serving the people. It is not a party that seeks power for its leaders, that seeks privileges, but rather what it asks and offers is service and sacrifice . . . I would betray my vocation (the priesthood) if I were to refuse to make that sacrifice."

Sometime earlier, on 3 March, the Pope had given words of encouragement to the Literacy Crusade, and there had been talk of the Junta inviting the Holy Father to visit Nicaragua, since Cmdr Daniel Ortega and Minister Miguel D'Escoto (having attended with Cmdr Mirta Baltodano the Meeting of Third World Theologists in Sao Paulo) had launched the initiative:

"I call upon Christian educators," said John Paul II, "and on all who are active in the Catholic Schools, to collaborate in this educational effort to facilitate generalized access to culture for every citizen. Finally, I express my best wishes that the beloved people of Nicaragua will share the fruit of peace, harmony, and solidarity, in accordance with their secular Christian tradition."

The tensions continued, however. For this reason the Front felt it necessary to specify its position on this matter in the Official Communique of the National Office of the FSLN "On Religion":

"Christian patriots and revolutionaries have been an integral part of the Peoples Sandinist Revolution, not just now, but for many years . . . How can we forget our cherished martyrs Oscar Perez Cassar, Oscar Robelo, Sergio Guerrero, Arlen Siu, Guadalupe Moreno, Leonardo Matuta, the dozens of Promoters of the Faith who were murdered . . . and so many other brothers?"

It should be recalled that in Chapter 22 of the "Literacy Primer" the Church is mentioned ("Iglesia, gla, gle, gli, glo, glu," it says) in connection with "the heroes and martyrs" of the revolution. In fact, "Christians have been an integral part of our revolutionary history to an extent unprecedented in any revolutionary movement in Latin America, possibly in the world." It makes special note of "the revolutionary labor and the heroic sacrifice of the Catholic priest and militant Sandinist, Gaspar Garcia Laviana." It is well known that the central points of the communique are based on the following:

"Some authors have asserted that religion is a means of alienating men which serves to justify the exploitation of one class by another" (Point 2).

Religion as a justification of domination, which the prophets called idolatry (and which Marx called fetishism, in the same sense), has been accepted throughout the Judeo-Christian tradition: What were the religions of the Pharaoh or of Anas and Caifas, if not religions of domination? What was the religion of Christianity if not the justification of the domination of oppressed feudal classes? On this point, the prophets, Jesus, and Latin American theology are in total agreement with the Communique:

"We Sandinists affirm that our /experience shows/—it is not the 'books' that prove it but /praxis,/ we add—that when Christians, relying on their faith, are capable of responding to the needs of the people and of history, /their very beliefs/ impel them toward revolutionary militancy. Our experience shows that one can be a believer and at the same time a responsible revolutionary, and that there is no irresolvable contradiction between the two" (Second Part of Point 2).

This clarification is a fundamentally original theoretical concept of the Sandinist Revolution which contradicts a certain metaphysical or dogmatic Marxism that overwhelmingly rejects religion (because it affirms the eternity and infiniteness of a "Matter" now deified, without any support in the thought of Marx himself, who believed in a /productive/ materialism, not a /cosmological/ one).

This Communique marks the end of a phase in recent history, and the opening of the second phase, in which tensions continued to mount gradually, in view of the commitments and the articulation of the praxis with the interests of the classes (whether those of the former society or those which dominate the new order).

2. From Communique on Religion to Demand that Priests Resign Government Posts (7 October 1980 to 1 June 1981)

By 10 October, the presidents of ACLEN and CONFER were already expressing firm support for the Communique, which had come into the hands of the Third Meeting of the Brotherhood of Priests, which priests from 17 Latin American countries were holding in Managua. This enabled them to conclude that "we feel that this document opens up new roads for Christians in Nicaragua who, through their faith, are participating in the revolutionary process."

The Espiscopacy, for its part, expressed its opinion of the Communique on 17 October, stating in a central point (to which it referred when it stated: "For the Revolutionary State religion is a personal matter within the purview of individuals . . ." Point 9):

"Cloaking religious motivations in terms of individualism and personal affairs . . . leads one to understand that there is no real recognition or appreciation for the religious motivations that lie behind social transformations. . ."

This is certainly a point that needs clarification, because social religious practices (and institutions) should be considered by the State (not the "modern" bourgeois State, obviously, but the socialist one) as social realities of the people, especially when Christians, as groups, institutions and a /historic people/ participated in the revolution.

Thirteen Christian associations (including the John XXIII Institute, the Valdivieso Center, the Central American Historical Institute, the UCR [expansion unknown], the National Council of Jesuit Priests, CONFER, the Youth Pastoral, the Grassroots Communities, the Central American College, etc.) indicated that the rejection of the Communique "could be a weapon to be used against the people inside and outside the country." They noted the danger of breaking off the dialogue and dividing the Church. They declared that in their document the bishops "misrepresent the letter and spirit of the FSLN Communique." They explained that the concern about the participation of priests in the government fits perfectly well into the "exceptional" cases allowed even by the old Code of Canon Law. It was a clear statement that revealed an objective situation.

These months (until June 1981) would be marked by a clarification of positions that was ideological more than anything else. Some Christians, identified with the interests of the classes that had held power before, hardened their positions and began using the "religious field" increasingly as the /only/ area where they could express their demands. Thus, the very "religious space" --which, contradictorily, other Christians had been urged not to manipulate or politicize--had become "politicized." In contrast, other Christians, the

majority of the poor, joined the revolutionary process. The government, meanwhile, "maintained wide-ranging talks with the secretary of state of the Vatican, Cardinal Agostino Casaroli . . . The resolute of the mission, according to Comrade Baltodano, were highly positive." The minister of foreign relations, Father Miguel D'Escoto, explained:

"We cannot hide behind the shield of our ordainment as priests to avoid the duty of all good citizens in a situation of national emergency. And all good Christians should be good citizens."

The archbishop of Managua on 16 April reminded the clergy that "You are priests, not social or political leaders." That statement was followed by the Pastoral Communique of 5 June from the Episcopacy, requiring that priests in government resign their posts because "we declare that if the priests who hold public office . . . did not let go of those responsibilities, . . . we would consider it an attitude of open rebellion and formal disobedience to legitimate ecclesiastical authority." As one might expect, there was even greater disturbance, and interecclesiastical tension reached its climax.

These decisions supported the groups that wanted the revolution to move in a social democratic or Christian democratic direction. Ever since Robelo stepped down from the Junta in May 1980, this position began to emerge. Meanwhile, other Christians backed the revolutionary process:

"The triumph of Nicaragua," said Ecclesiastical Communities of Managua on 16 February 1981, "has raised the hopes of many Christians who live under oppression in Central America. We need priests who, united with their people in suffering, struggle and triumph, are capable of illuminating reality and are committed to the liberation of our peoples."

Meanwhile, on the international scene, Reagan had reached power and was beginning to place obstacles in the way of the \$10 million in aid that had already been approved. Sometime later, Mitterrand won the election in France, which appeared to serve as a counterbalance. The daily LA PRENSA began its confrontations with the FSLN, and as the internal opposition parties began to step up their criticism, pressure began on the northern border, prompting the people to become increasingly active in the Peoples Militias.

3. From Demand that Priests Resign from Government to John Paul II's Letter (1 June 1981 to 29 June 1982)

Reagan was building a fence around Nicaragua. Thomas Enders visited Nicaragua and threatened to invoke the Inter-American Reciprocal Assistance Treaty (TIAR). This would be a year of serious confrontations over current issues, creating a tense situation. In the first place, there were reactions to the Episcopacy's demand that priests resign from their government posts. The "Christians for the Revolution" reacted immediately.

"It would be a great loss to the Church if these priests were prevented from continuing with this highly Christian task, and if our Church were stripped of its evangelical quality of working actively for the poor."

Since the Valdivieso Center, the Historical Institute of the Central American University, and the Agrarian Education and Promotion Center (CEPA) had also become involved, one of the representatives of these centers stated on a television program that it was a question of seeing "if we in Nicaragua, perhaps for the first time in history, can help Christian faith engender the fruits of a true commitment to real participation in a revolutionary process." Groups of priests and Grassroots Communities also expressed their opinions, and there was unrest. The Nicaraguan Association of the Clergy (ANCLEN) decided at its assembly to request a dialogue, and 23 theologians of the Concilium group (including Y. Congar, H. Kung, J. B. Metz, J. Moltmann, E. Schillebeeck, etc.) expressed a similar idea. On the other hand, it is known that Rome recommended that a dialogue be held, that no ultimatum be issued. That was clearly indicated by Monsignor Silvestrini at a meeting of superiors of the religious orders and bishops, held at the Vatican. There a solution was reached, allowing the priests to retain their positions and not taking any public pastoral action for the time being. On 15 July an agreement was reached in Matagalpa:

"As long as they are holding public office and are serving party functions, they shall abstain from exercising all priestly duties."

Monsignor Obando y Bravo stated in Milan that "our revolution is succumbing to Marxism, along the lines of the Cuban model." A short time later he was decorated by the Christian Democratic government of Venezuela, under Luis Herrera Campins.

But at the same time that an attempt was made to separate priests from their political responsibilities, nuns and priests began to be removed from the places where they had engaged in pastoral activities among the people. In Ciudad Sandino, Mother Pilar Castellano, who had long fought against the Somoza dictatorship and was committed to the people, was removed:

"She, along with Sister Clark, who was murdered last year in El Salvador," said Rodolfo Araica, "lent their moral and even physical support to many residents of Ciudad Sandino. They protected with their own lives the lives of hundreds of young combatants, before and after the war."

Then came the case of the Dominicans, Fathers Rafael Aragon and Manolo Batalla of the barrios of San Judas and Monsenor Lezcano. There were mass demonstrations and protests to prevent their removal.

Father Canuto Barreto, a seminary director, resigned his post along with other collaborators and nuns, "due to disagreements with some bishops of the Episcopal Conference." The former director indicated that "apparently the Church does not have a clear awareness of the training of priests. Priests must be in touch with what is going on in the country, and must go out among the people and be with the humblest, in order correctly to carry out their function as guides of the people... I am in favor of social change. We Christians should be committed to the new world."

Meanwhile, in La Libertad, Chontales, Monsignor Pablo Vega criticized Father Francisco Rodriguez, who left his parish and was replaced by Father Rene

Wilson (who was warmly received in the communities). Father Rodriguez "encountered opposition in another Christian sector of charismatic types, including some ranchers and other people," so he left there too.

Father Mauro Iacomelli, of the Centroamerica neighborhood, a former president of CONFER, "risked his life to come to the aid of the wounded and visit homes during the war against Somoza." He "trained the groups of the Grassroots Ecclesiastical Groups and musical groups, and put on a large number of seminars on the Word of God," and was also removed by the Archbishopric of Managua. His parishioners took over the parish for a week in protest. A short time afterwards, it was also learned that the Carmelite nuns who coordinated the Chiquilistagua School in the same parish were also to leave. They "had distinguished themselves with their fruitful work in the community, educating and Christianizing the Nino Jesus de Paraga School." "There was great consternation and indignation among the neighbors over the removal of the nuns." Sister Rafaela explained:

"I am going because of discipline, but I would like to continue working with you, who are good, humble people with whom I have identified," she said tearfully, her voice breaking, as the community of Chiquilistagua bade her farewell yesterday.

There was a disturbance in all the communities of Managua: "Tomorrow it could be our parish," they exclaimed. Looking objectively from the outside, one is surprised that in Nicaragua, which is undergoing so many difficulties, pastoral agents in the poorest of neighborhoods are being expelled. These measures will be judged harshly in the future, as well as the present. At the same time, more than ten parrochial and neighborhood communities prayed constantly as a result of these events. Groups of "catechumens" violently tore up posters displayed by other Christians. There was real ecclesiastical division when pastoral agents who had fulfilled their missions to the satisfaction of the poor were removed. The Christians of Achuapa, Leon joined in prayer to repudiate the expulsion of pastoral agents. All asked for "dialogue" with the archbishop. A delegation from the communities was finally received, and asked for "unity in the Church during these troubled times in the nation." No solution was reached, and tension mounted. But it cannot be said that the FSLN was responsible for the tension; rather, it was produced exclusively and unnecessarily by the Church itself, through its hierarchical structure.

Meanwhile, a Pax Christi commission had passed through Managua, and its conclusions were published on 29 October 1981 at the Congress of Nassogne (Belgium). The commission declared:

"The archbishop of Managua, Monsignor Obando y Bravo, has allowed himself to become the leader of an opposition that has no other personality available to oppose the regime. The /third route,/ no matter what its ideological merits, is not possible in Nicaragua. CELAM, the Latin American Central Organization of Workers (CLAT) and the Christian Democratic parties of Latin America and Europe should stop their dreaming and consider this simple fact: The revolutionary process is irreversible. . . The true issue is not denouncing an alleged totalitarianism that does not exist, but knowing how far the revolution will go. In this regard, the attitude of the opposition, the hierarchy,

the labor unions and Christian democratic parties, only encourages the radicalization of the revolutionary process. Nicaraguan Marxists and dogmatics take pleasure in the attitude of the institutional Church, the Central Organization of Nicaraguan Workers (CTN), and the opposition. We do not feel that the Church or Christian organizations should identify with a political power or political party. It is a matter of having an evangelical concept of justice and the liberation of mankind."

This document, which was also signed by Italian Bishop Betazzi, was answered by CELAM. Monsignor Betazzi himself responded to the opinions expressed by CELAM:

Then came the accusation that the Miskito, Sumo and "Ladino" populations were being massacred. To understand the question of the Atlantic Coast, one would have to go into a long history, beginning in the sixteenth century. Spain abandoned the Atlantic Coast, preferring the Pacific. It came from the south from Panama, or through the mountains to the north—from Guatemala or El Salvador—using the port of Rialejo. The Atlantic Coast was occupied afterwards by slaves from Anglo-Saxon regions (such as Jamaica), and the "King of the Miskitos" felt himself more a subject of England than of Spain (a strategy which netted him an intelligent autonomy). The current process, since the victory of the FSLN, is one of national integration and at the same time suppression of Somozaism (which that region did not feel in all its severity). The presence of former Somozaist guards north of the Rio Coco, where the slaughters took place, required moving the Miskitos further south. These military motives apparently bothered the population, with deep local roots. Justiniano Lieb, a Catholic missionary for 25 years, expressed this view of the matter:

"The decades of silence on the situation of the Miskitos broke merely so that a serious problem plaguing the nation could be exploited to launch a strong and not very well disguised attack on the revolution. . . The pathetic situation of the young Miskitos, who left their little villages to be buried in the shafts of the Neptune Gold Mining Company, once the owner of a bonanza during Somoza days, never drew any attention. . ."

Capuchin priest Agustin Zambola, a black man from the coast, was one of the 76 who sent the famous anti-Somoza letter. He stated he was "surprised and saddened by the communique from the bishops," indicating that they had forgotten to say that the Miskitos were being terrorized by the counter-revolutionary bands.

This event was at first the most highly publicized of those which soon began to disturb Christian consciences: the attacks by the "contras" (counter-revolutionaries) from the Honduran border, encouraged by rumors of an American invasion, as was to be expected. In Nicaragua, and worldwide, Christians have played a fundamental role in the solidarity and the awareness of this ever-present danger. More than 300 priests and nuns called for peace in Central America on 26 November 1981. CONFER advocated naming 1982 the "Year of Unity Against Aggression." ACLEN wrote a letter to the Congress and people of the United States stating the following:

"The military invasion of Central America with U.S. troops, or using other Latin American armies, would bring our people more hunger, suffering and death."

The Grassroots Communities declared that "we will take up arms to defend our lives," drawing inspiration from Nehemiah 4, 1-17, on 16 March 1982. More than 900 rank and file Christians from the regions of Zelaya, Nueva Segovia, Chinandega, etc., wrote to their bishops, urging them "to accompany our people, even physically, along the border."

John Paul II, for his part, sent a letter on 29 June 1982, urging unity in the Episcopacy and in the entire Church, and demonstrating the ambiguity of the expression "Popular Church." The Pope condemned "a certain theological current (which believes) the Church is something that stems more from the supposed values of a stratum of the population than from the free and gratuitous initiative of God." This clarification by the Pope—which the theologists of liberation have been the first to support, since it always places the Spirit as the origin of the Church—prevented any discussion of a hierarchical Church as contrasted to a popular Church. In reality, there are specific options that may be different among the members of the Church (that diversity arises among bishops, priests, nuns, laymen, etc.; it is not a "hierarchical/popular" dichotomy, but a vertical dichotomy between those who prefer to side with the poor and those who de facto side only with the rich).

During these months the tensions reached dramatic extremes. On the one hand, Monsignor Julian Barni was named bishop of Leon, Monsignor Carlos Santi that of Matagalpa, and Monsignor Pedro Lisimaco Vilchez prelate of Jinotega. There were rumors that the Pope would come in January, a matter which had already been publicized long before.

Pastoral agents who sided with the poor continued to be replaced. Now it was no less than Monsignor Jose Arias Caldera, who had been awarded by the FSLN with the "Order of Carlos Fonseca," the maximum patriotic honor, for the "support he gave to Cmdr Fonseca" (Founder of the Front) during the first days of the struggle, in the 1960s. There is no doubt that he was removed from his parish in Santa Rosa. The population protested; they even prevented the temple from being closed in his absence. Then the archbishop excommunicated four women who had intervened. Monsignor Arias, in his farewell sermon, said that "I am a barrio priest, not a salon priest," and stated that "the ecclesiastical authorities acted precipitously in excommunicating simple people." He concluded: "It is time to respect the people." While this was happening among the poor, the "scandal of Father Bismarck Carballo" took place (he appeared on television emerging from the house of Maritza Castillo, which did not merit any kind of disciplinary action), and blood was found in the Salesian college of Masaya. The "religious space" was being used increasingly as a counter-revolutionary place, unfortunately. Meanwhile, the attacks from the north and the murders of peasants continued, all of the victims being Catholic and the vast majority being militant Sandinists. In San Francisco Norte, Promoters of the Faith were "disemboweled, massacred, robbed." The Communities were surprised that these people were not excommunicated after showing such hatred for the people by mutilating peasants in the name of God—they

shouted "Long Live God and Democracy!" as they did it. When mass was celebrated in Leon, in La Merced, for the heroes and martyrs, one sign said, "Jehovah will not allow he who takes His name in vain to go unpunished. The Martyrs of San Francisco Are With Us." Christian layman Vinicio Sandino "pointed out that the right of the people to liberty depends on their willingness to take up the sword of fire to prevent the return of exploitation." The entire region was encouraged by the Promoters of the Faith. "These Christian missionaries date back to the mid-1970s. Lacking priests, a group of peasants met and organized . . . "We did not know how to read the Bible," said one of them, "we learned to read it and we realized that the true Christian gives his life for his brother, and that it is necessary to overcome the difficulties of life," explained Rigoberto of the La Carreta Community, along the Honduran border, where the murders of their own brothers can be seen in plain view.

A short time later it was Promoters of the Faith in Esteli who were murdered:

"We Christians of Esteli would like to express our pain and anguish over the many acts of aggression that are committed every day against our people."

Those who comment on the way in which the murders were perpetrated, those who "belonged to the Sandinist Peoples Militias and were members of the Christian Grassroots Communities," say: "It was horrible!" In December a married couple from Esteli, in charge of organizing the Communities, were kidnapped as they harvested coffee. In a letter wishing the Communities a Merry Christmas they wrote:

"Although we are not with you, we are present because we are working here to give food to the hungry . . ."

Two days later they were kidnapped and tortured; people continued fighting to free them until the end of February 1983. This situation was created by the support the United States gave the former guardsmen, who make life very difficult in the north.

And while the country was dedicating itself to the Virgin on 28 November 1982, the Episcopacy expressed reservations about a pamphlet titled "Novena of the Virgin Mary — Mary of Nicaragua," published by the Antonio Valdivieso Ecumenical Center, because it named the dogmas regarding the Virgin, there being four (which leads to the conclusion that it is denied). Not only was it noteworthy that they did not encourage such publications, but also that they sought such weak grounds for saying that there were "serious errors." Karl Rahner himself, in an express letter to the Valdivieso Center, indicated that he did not agree with the bishops, because no one can conclude that something is denied when it is not even named, or that it can be denied with tradition: "Save, Save, singing to Mary, only God is purer than thou." Christ is God and therefore he does not appear to deny it. We have come to this!

On 8 December, the Episcopacy fired off a pastoral letter "on Catholic education." It did not deal with education in general—which would be useful—but just Catholic education. At one central point it said:

"We have noted the tendency to deal with some aspects of the training of youths from a purely materialistic standpoint, without considering the religious dimension."

But unfortunately, such an important clarification--against a "metaphysical" Marxism, in the words of G. Garardi, or "dogmatic" in the strict sense, or "priest-eater," in Nicaraguan political jargon--does not have the power that would be necessary, because it tends to favor only groups that are very critical of the revolution (such as the Nicaraguan Federation of Catholic Education) and thus strengthens the "dogmatics" instead of weakening them. Cmdr Tomas Borge, in a speech to the National Association of Teachers (ANDE) on 6 February 1983, responded to the document in these terms:

"It is curious to observe that the bourgeoisie returns to the Church in desperation when its world is about to collapse or has already collapsed. . . and it complains to Jesus Christ that He dresses in rags, telling him to put on the shiny sequins that used to adorn the old altars . . . In Nicaragua, during the time when it was joining the world capitalist market, at the end of the last century--when large-scale production of coffee began--the instrument of ideological domination by the oligarchy was, primarily, the Church."

In the face of such attacks, the Church hierarchy has undermined its own pastoral agents, thinking only of its Catholic schools--while the public schools are abandoned--and they lack the authority and the means to reply. Their own actions fuel the arguments of the "dogmatics," and have also weakened their own revolutionary Christians. The situation is becoming increasingly complex, and the contradiction that was to be avoided is becoming fiercer, thanks to those who would have been able to avoid it.

One event that was undoubtedly one of the most significant was the recent visit of Pope John Paul II to Nicaragua, the main stopping point in his tour of the Central American republics. As early as November 1982 the Government Junta had officially invited the Pope. Then nothing was learned officially about the trip until 7 February 1983, when it was reported that the pope would be in Nicaragua on 4 March. It was said that the trip was conditioned on the resignation of the three priests who held high government positions. The Sandinist Government apparently did not accept that condition. In LA PRENSA and opposition media, it was speculated that the Pope would come only to visit the faithful, and thus the multitudinous masses that greeted the Pope would be interpreted as opponents of the Revolution. The Front, therefore, immediately decided to receive the Pope officially, with the government in the same rank as the bishops (and all the bishops together, without any receiving priority). From Managua the Pope went to Leon, and from there to the huge mass where the Nicaraguan people, Sandinist, Christian and revolutionary, were with John Paul II and their heroes. The "Nico-Tayacan" team printed some popular pamphlets for the reception of the Pope, and more than a half million copies were run off. They were carried across the borders and printed up with variations in El Salvador, Costa Rica and Panama, in an act of solidarity with the Church that sides with the poor of Central America.

At the end of February, the book by Teofilo Cabestrero, "Ministers of God, Ministers of the People," reached Managua. In that book, the priests in the

government, Ernesto Cardenal, Fernando Cardenal and Miguel D'Escoto, attest magnificently to their reasons for choosing to side with the Nicaraguan people, as priests and celibates.

The Pope's visit, contrary to all fears, and thanks to the prudence of the secretary of state of the Vatican and Monsignor Silvestrini, and that of the Nicaraguan Ambassador to Rome (honored with the Pius IX medal) and of the Nicaraguan Government, and given the attitude of the Sandinist Front, gave a tremendous boost to the revolution and the Christian groups that want it to triumph. On the contrary, the opposition, which tried to play the figure of the Pope against the process, and the dogmatics (who believe essentially in atheism and philosophical and metaphysical materialism, without bearing in mind Nicaraguan and Latin American reality) were the big losers.

8926

CSO: 3248/148

BRIEFS

BRITISH AID--London, Sept 20, CANA--The allocation of 10 million pounds sterling from Britain's aid programme to St Kitts-Nevis as capital development aid has been officially announced here by the Overseas Development Administration. The money is to be spent over a number of years on projects to be agreed between the British and St Kitts-Nevis governments. Half will be provided by a grant, the remainder as an interest free loan. Britain's bilateral aid to St Kitts-Nevis in the current financial year amounts to one million pounds sterling. This grant, which is in addition to the independence allocation, is being spent on capital projects and technical cooperation. Projects include those concerned with agriculture, communications, schools, community development, a new power station, and help with the old fort at Brimstone Hill, which is a major tourist attraction. [Excerpt] [FL210200 Bridgetown CANA in English 2034 GMT 20 Sep 83]

CSO: 3298/1114

GOVERNMENT REQUESTS OECS HELP FOR LDC'S

FL142023 Bridgetown CANA in English 1639 GMT 14 Oct 83

[By Ernie Seon]

[Text] Castries, St Lucia, Oct 14, CANA--The St Lucia Government, distressed over the possible implications of Trinidad and Tobago's recent foreign exchange conservations measures, has asked the Secretariat of the Organisation of Eastern Caribbean States to seek a clarification and ensure that they do not further restrict imports from the lesser developed countries (LDC's).

Trade Minister George Mallet said the new measures were a matter of grave import to St Lucia and its manufacturers, and he has sent a telegram to Dominica's Prime Minister Eugenia Charles, chairman of the OECS Economic Affairs Committee, urging immediate approaches to Port-of-Spain on the LDC's behalf.

He said the Trinidad and Tobago decision places St Lucia and the LDC's in a most unenviable position and puts the developments of industry and the economies of the eastern Caribbean states in serious jeopardy.

The telegram read: "The St Lucia Government distressed over the recent announcement from the Government of Trinidad and Tobago of measures to control foreign exchange and the adverse effects on the economy, which will result in sharp reduction in employment and in consequence the imminent shut down of factories here, kindly suggests that you request the Secretariat to take immediate steps to approach the Trinidad Government on behalf of the LDC's, with a view to seeking clarification of the new development and ensuring that these measures will not further restrict imports from the LDC's who otherwise will suffer more severe economic setbacks."

Mallet said that over the last decade, the LDC's had been attempting to develop their industrial base looking at the markets of the more developed territories of Trinidad and Tobago and Jamaica.

"With the introduction of the (import) licence system and foreign exchange controls by Jamaica, we virtually lost that market," he said.

In 1981, for example, our exports to Jamaica totalled three million dollars (one E.C. dollar; 37 cents U.S.). This dropped to just over 600,000 dollars for 1982, and the situation for this year to date, not withstanding the agreement reached in Barbados earlier this year, is in no way improved," Mallet said. [quotation marks as received]

He said that dozens of factory workers dismissed during the past few months are still unemployed.

"We thought that all hope was not lost when Trinidad gave the assurance that it would drop the barriers placed against CARICOM imports, and we began to gear ourselves to look more closely at that market, to which we have been shipping garments of all kinds, television and radio sets, for which we have had satisfied customers in Trinidad."

However, Mallet said, the undertaking given by Trinidad was not honoured, as applications for licences remained for months awaiting consideration.

"My minister has endeavoured without success to contact the relevant authorities in Trinidad and Tobago," Mallet added.

"This attitude and the recent decision of the Trinidad and Tobago Government will have far-reaching consequences for St Lucia's industrialisation programme and adverse effects on employment."

CSO: 3298/1115

COUNTRY MOVES TO PLUG FOREIGN EXCHANGE LEAKS

FL080020 Bridgetown CANA in English 2323 GMT 7 Oct 83

[Report by Rudi Williams]

[Excerpts] Port-of-Spain, Trinidad, Oct 7, CANA--Trinidad and Tobago today announced measures to plug large-scale foreign exchange leaks, which Prime Minister George Chambers says reached 1.2 billion dollars (one TT dollar; 41 cents U.S.) so far this year.

When Parliament reconvened today, the prime minister said that authority for granting approval to importers to buy foreign exchange has been shifted from the Ministry of Industry and Commerce to the Central Bank.

The move was aimed at curbing what Chambers termed "the virtual haemorrhage of foreign exchange," plaguing this twin-island republic despite a tightening of credit in the commercial banking sector and fiscal measures introduced in last December's budget.

He stated that these direct measures of control were required to supplement fiscal and monetary measures "in order to further discourage the strong preference for expenditure on foreign goods and services."

The measures, which take effect immediately, nullify the use of licences and/or E.C. 1 (Exchange Control 1) forms which importers normally used to get Ministry of Industry and Commerce approval to purchase foreign exchange.

Instead, according to the prime minister, importers would now have to apply directly to the Central Bank here on a new form for permission to buy foreign exchange.

He also advised that the Central Bank had established guidelines as to the amount of foreign exchange to be allocated annually for the purchase of specific goods and services and, within these ceilings, the amount to be made available to individual applicants.

"The allocation criteria properly stress the provision of foreign exchange on a priority basis for capital goods, raw materials and other inputs for industry and essential food and drugs," Chambers added.

According to the prime minister, the primary objective of the new measures was "to use our strategic foreign exchange to strengthen the productive base of the economy and its ability to export."

He added that the allocation criteria also took full cognisance of "the need to protect certain domestic industries from unfair competition from a flood of cheap imports."

Pointing to the outflow of foreign exchange at a time when the state was pinched by declining revenues, he said that on September 30, Central Bank official reserves were valued at 5.5 billion dollars.

This represented a loss of 1,215 million dollars or 18 percent since the start of the year, the prime minister noted.

He said that net sales of foreign exchange to the country's private sector for the first nine months of this year had been 18.5 percent higher than during the comparable period last year, despite the weakening of the economy.

"In many instances," Chambers stated, "we have been drawing down our strategic reserve of foreign exchange merely to affect an alien and not totally desirable lifestyle typified by inessential imported goods, and not to strengthen the productive capability of our economy."

Observing that while Trinidad and Tobago's foreign exchange reserves appeared to be at a "comfortable level" by conventional standards, the prime minister, however, felt that at present trends, they could be "frittered away and exhausted" in the next two to five years.

This would be without long-term benefits to the country as a whole, and "this government will not permit such a development to take place," Chambers declared.

CSO: 3298/1116

GUARDIAN WARNS OF LIKELY LEFTIST AGITATION

FL071928 Bridgetown CANA in English 1743 GMT 7 Oct 83

[Text] Port-of-Spain, Trinidad, Oct 6, CANA--The TRINIDAD GUARDIAN newspaper today warned people here to beware of likely agitation by revolution-prone leftist political elements seeking to capitalise on the hardships expected to accompany the country's declining economic fortunes.

The editorial comes amidst recent government warnings of impending austerity measures to cope with a serious fall in earnings in this oil-rich Caribbean Community (CARICOM) country.

Said the GUARDIAN: "We trust that it is now clear to the freedom-loving peoples of the Caribbean that the democratic way of life we cherish can no longer be taken for granted. Recent and current events both within and without the region should make us acutely aware that our social and political system based on constitutional rights and freedoms and the rule of law is coming under intensifying assault from the forces of subversion wearing several masks and coming from different angles.

"If we are to preserve the traditional freedom of our societies, if we are not to be lured or trapped into the more radical and extremist systems, then the times demand the utmost vigilance from us and an awareness of the tactics and strategy of subversion which breeds in disunity, hastens to exploit group conflicts, and relentlessly plans on the feelings of the disenchanted.

"The decline in our economic fortunes and the period of adjustment and austerity that this will inevitably impose upon us may well create conditions ripe for the activities of leftist agitators.

"In our country, these agents of disorder and tyranny have already begun to thump their rhetorical war drums, seeking to whip up within the labour movement an emotional frenzy against proposals that have been aired for meeting our changing economic circumstances and readjusting development strategies.

"The difficult period ahead of us, then, is also fraught with danger. Apart from the pain of having to accept lower standards of living consequent

upon a drastic drop in national earnings, there is the more menacing threat that provocateurs in the labour movement would seize the opportunity to bring about the Marxist dream of class conflict, unrest, chaos, and revolutionary change.

"We can only hope that the more responsible trade unions will see the necessity of facing the economic facts of life with candour and courage, justifiably maintaining confidence in the future of our country and its constitutional system, instead of playing into the hands of the radical few who would secretly prefer a regime in which trade unionism is simply another mechanism of totalitarian control.

"Our people must come to understand that leftist trade union leaders have no use for economics and economic planning as we know it in the West. According to the ideology that motivates them, open market economies such as ours are inherently corrupt and are destined for self-destruction.

"Their ideal is the Marxist ideal of the centrally planned economy in which the governing hierarchy dictates every move and measure and individual freedom, enterprise and ownership are stamped out as counter-productive and counter-revolutionary.

"To achieve that end, any means will be justified, if not by outright force and violence, then by deceit and subversion.

"We think that would be a foolhardy assumption, having regard to the tragedy of Grenada and Suriname and the agony of Central America, all happening within our peaceful 'basin.'

"It is also quite apparent that guerrilla warfare waged by agents of the left is internationally connected, being fed by some proxy nations and even supported by radical Muslim countries such as Iran and Libya.

"We do not know what trap is being baited and when it will be sprung. Our survival requires that we be constantly on our guard, knowing the enemy and his modus operandi."

CSO: 3298/1116

TRADE FIGURES FOR FIRST HALF 1983 RELEASED

FL131915 Bridgetown CANA in English 1750 GMT 13 Oct 83

[Text] Port-of-Spain, Trinidad, Oct 13 (CANA)--Trinidad and Tobago's oil-based economy recorded a reduced 480 million dollars (one TT dollar; 41 cents U.S.) trade deficit for the first six months of this year, compared to the same period last year, according to official figures released here.

The 1982 first half deficit was 627 million dollars.

Between January and June 1983 the twin island republic imported 3,506 million dollars in goods compared to 4,377 million dollars for the corresponding period in 1982.

Trinidad and Tobago 1983 exports up to June stood at 3,008 million dollars compared with 3,750 million dollars last year.

June imports amounted to 476 million dollars and exports at 464 million dollars, the adverse balance of visible trade being 12 million dollars.

For the same period in 1982, imports were valued at 952 million dollars and exports at 615 million, with a deficit of 337 million dollars.

The petroleum sector accounted for 84 per cent of total exports in the [words indistinct] first half and seven per cent of imports.

Imports under the section of food and live animals during the six months period rose from nine per cent in 1982 to 13 per cent this year.

Fruit and vegetable imports amounted to 105 million dollars for the period, cereal and cereal preparations 96 million dollars, dairy products and eggs 85 million dollars, meat and meat preparations 65 million dollars, feeding stuff for animals 48 million dollars and fish and fish preparations 20 million dollars.

Jamaica accounted for 32 per cent of the Caribbean Community (CARICOM) imports to this country, but absorbed only 16 per cent of Trinidad's exports.

Barbados accounted for 26 per cent in both imports and exports, Guyana 14 per cent for imports and 26 per cent for exports, while Antigua and Barbuda and St Lucia absorbed eight per cent each of Trinidad's exports.

When compared to the 1982 first half Trinidad and Tobago's imports from CARICOM countries fell by 42 million dollars, while exports decreased by 107 million dollars.

The most significant export decreases included Guyana by 51 million dollars and Jamaica by 15 million dollars.

CSO: 3298/1116

END